

EEC ministers set out conditions for loan to Greece

BY QUENTIN PEEL IN BRUSSELS

EEC FINANCE ministers gave the green light last night for payment of the second half of the loan, which has formally to be approved by the European Commission.

Mr Hans Tietmeyer, chairman of the EEC monetary committee and West German State Secretary for Finance, stressed in particular continuing worries about the rate of inflation, now running at about 18.5 per cent per annum, compared with a target of 15 per cent.

He said that reduction of the public sector borrowing requirement was on target, and the monetary objective set by the EEC had been respected.

He underlined the success of the tougher EEC attitude in paying the loan in two tranches, subject to strict conditions being respected—a system which he hoped would be maintained for similar loans in the future.

The European Commission has promised to pay particular attention to any specific problems raised by other member states about the effects on their markets of Greek export subsidies. This is in response to British concern about the prospect of subsidised Greek cement being sold in the UK and undercutting British prices.

The Commission's agreement to monitor the situation amounts, in effect, to a safeguard clause.

Mr Jacques Delors, president of the European Commission, said Greece had made considerable progress in tackling its structural economic problems since the Ecu 1.75bn balance of payments loan was approved 12 months ago.

He said that some two-thirds of the country's regime of export subsidies would be removed from January 1 with the introduction of a Value Added Tax system similar to that in the rest of the Community. The remaining subsidies will be phased out over four years.

The present import deposit scheme of 40 or 80 per cent when sold to Greece, will go in two stages — on February 1 and the end of April.

The finance ministers swallowed considerable doubts about the performance of the Greek economy in

FT Paris Correspondents examine two important outcomes of the rioting by French students

Bill's withdrawal undermines Chirac Devaluation spectre haunts franc again

BY DAVID HOUSEGO



Students in Paris with posters calling on Mr Chirac and three of his ministers to quit

THE WITHDRAWAL, under student pressure, of the university legislation seems destined both to weaken the administration of Mr Jacques Chirac and damage his chances as a presidential candidate.

Within his own RPR party—yesterday much depressed by the humiliation imposed on the Government—a key principle in the conflict with the students was to prevent street demonstrations laying down the law.

This was still Mr Chirac's theme on Sunday when he addressed a party mass rally and said that the Government would not bow to disorder and attempts at destabilisation.

Many on the right will see his climbing down over the university measures as abandoning this principle.

Mr Jean-Marie Le Pen, leader of the extreme right National Front, rubbed home this point immediately after Mr Chirac's announcement by accusing him of yielding to "blackmail."

The charge is the more damaging in that Mr Chirac had projected his administration as rolling back delinquency and improving law and order.

Among the centrists and followers of Mr Raymond Barre, the former Prime Minister, the Government's withdrawal is bound to strengthen the hands of those who have argued that "cohabitation" between a conservative government and a Socialist president is unworkable. A decisive factor in Mr Chirac's retreat yesterday was the risk that President Francois Mitterrand would go public with his criticism that the new university law was "inopportune" and "useless."

With his own Government divided about the issue, the students planning another demonstration, the franc falling in the foreign exchange markets, Mr Chirac could not afford to have the President publicly against him. This tacit admis-

son reinforces Mr Barre's argument that a divided executive is untenable while undermining Mr Chirac's point that under "cohabitation" the President has no powers.

Mr Chirac's retreat under pressure will also make it more difficult for the Government to hold firm on other issues. The Socialist group immediately plunged into the breach by demanding as soon as the National Assembly went into session yesterday afternoon that the Government withdraw its national-ity bill. This is the measure which will make it more difficult for immigrants to gain French nationality. After the death of Malik Oussekine, the French student of Algerian origin who died in Saturday's violence, the law has become a highly sensitive issue.

But on other measures as well — from steel closures to prison construction by the private sector — the Government will need to tread more warily. The students' success is likely to toughen the resistance of the unions who have until now been intimidated by both recession and the apparent strength of Mr Chirac's Government.

Some observers went so far yesterday as to see the withdrawal of the university bill as striking at the heart of the Government's free market philosophy. The measure as originally conceived was central to the free-market's conception of the changes that needed to be brought about in France's economy.

It incorporated more autonomy and competition among universities, greater control over student recruitment through more selection, and increased independence for the universities through greater self-financing. All these principles have for the moment

been thrown out of the window. It is also now difficult to see free-market principles making much headway in the other areas where the "liberals" wanted to apply them such as in the social security system.

Mr Chirac's strong card is that his ministerial team now knows that it must stand together or else see its divisions ruthlessly exploited by President Mitterrand and the opposition Socialists. The last 10 days have put severe strains on the coalition with several members of the centrist UDF — Mr Chirac's coalition partner — arguing some time ago that the Government would have to give up the bill.

But to Mr Chirac's comfort the UDF have been divided among themselves with the strongest protagonists for maintaining at least the shell of the bill being the Education Minister, Mr Rene Monory.

THE WEAKNESS of the French franc on the foreign exchange markets yesterday raised once again the spectre of a further devaluation of the currency against the West German D-mark and put the Bank of France's new armoury of monetary controls to its first serious test.

Once before, in 1968, mass protests by French students put the franc under pressure and contributed to the reinstatement of foreign exchange controls. Yesterday, the markets showed the first signs of fear that student unrest could put paid to the liberalisation plans of Mr Jacques Chirac's government.

Private sector economists had already begun to look for a realignment of the European Monetary System in the spring, after the West German elections, seeing a deterioration of France's competitive position in relation to West Germany. The intense political problems of Mr Jacques Chirac's government over the past week have made the problem more acute.

"In a situation of fundamental fragility, the political factors have called into question the credibility of the Government and led to an accentuated pressure on the franc," commented Mr Michel Devolle of Paribas.

For the time being, the system appears to have stood the test. After the franc had fallen sharply against the D-mark in the morning, the Banque de France raised its interest rate for seven day repurchase agreements by a full percentage point, succeeding in stemming the slide. But the rise in the repurchase rate represents a devaluation of the franc against the D-mark, its weaker partners in the EMS get trampled in the more sensitive intervention rate, which currently stands at 7 per cent.

The repurchase rate was lowered only a week ago when Mr Michel Camdessus, governor of Bank of France, announced new monetary policies based on a far more flexible control of interest rates rather than on the old system of quantitative credit restrictions. It was intended that the repurchase rate should mark a ceiling for inter-bank interest rates, with the intervention rate providing a floor.

"These are markers, not rigid walls," Mr Camdessus said. "We will resist the temptation to be too inflexible."

But the franc is still bound in the framework of the exchange rate mechanism of the European Monetary System, and here the freedom of manoeuvre may be more limited. Yesterday's pressure on the foreign exchange markets left the franc trading close to FFr 3.28 to the D-mark, well within its lower limit of FFr 3.3503. But the past few days have cost the authorities heavily in foreign exchange reserves.

Following the agreement stabilising the yen/dollar exchange rate, the dollar/D-mark rate has become the pivot of world currency markets. When the D-mark surges against the dollar, its weaker partners in the EMS get trampled in the rush.

In addition, France has been unable to take sufficient advantage of last April's devaluation of the franc against the D-mark to improve its trading balance with West Germany. The continued gap between the two inflation rates is one of the main worries for the government's economic ministers, as it threatens the competitiveness of French exports.

Common standards for bank accounting agreed

BY OUR BRUSSELS CORRESPONDENT

EEC finance ministers agreed yesterday on a common system for bank accounting and disclosure standards, allowing flexibility for the different member states on the question of disclosing "hidden reserves."

Mr Nigel Lawson, the British Chancellor of the Exchequer, and chairman of the council, said the agreement had been reached ahead of the target date. The flexibility allowed was the only way in which all member states were able to give their blessing.

The ministers were unable to agree final arrangements providing special exemptions on duty-free travellers' allowances for Denmark, Ireland and West Germany.

The Danish problem is that the country has a special exemption from granting duty-free allowances to Denmark travelling outside the country for less than 48 hours — an exemption which expires at the end of the year.

National officials in Brussels will continue to seek agreement on how that exemption may be extended.

Ireland is seeking a legal base to allow it to restrict the amount of beer that its citizens can buy in cross-border expeditions into Northern Ireland — currently set at 12 litres but under threat of legal action from the European Commission, which says the amount is too little.

Germany also wants special rules to allow it to maintain its "butter ships" providing duty-free shopping on short cruises outside the country's territorial waters.

Yugoslav party chief in talks with Gorbachev

YUGOSLAV Communist Party chief Mr Milanko Rancevic was due to leave Belgrade today for Moscow to confer with Mr Mikhail Gorbachev, the Soviet leader, for the first meeting of the two countries' party leaders in seven years, AP reports from Belgrade.

Observers in Belgrade said Mr Rancevic, the current one-year president of the Yugoslav Communist Party, and his host would seek first-hand knowledge of each other's immediate economic and other development plans.

The late President Josip Broz Tito saw former Soviet leader Leonid Brezhnev in the Soviet Union in 1979.

The Yugoslav party chief's visit comes at a time when both countries are taking major decisions in the economic field.

Yugoslavia is moving to amend the 1974 constitution, which still bears Tito's stamp.

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Monday January 5, 1987

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Introduction
A review of 1986 with reference to production trends in key sectors, imports and exports, technological changes, changes in structure and the impact of government policy. The outlook for growth in 1987, world trade prospects, likely changes in competitive performance.

Economic Outlook
Prospects for demand, corporate profitability, capital spending.

Takeovers
Some very large mergers have changed the shape of several British industries. How are they likely to affect performance and will they continue?

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How has technological change affected the major industries? Is the process accelerating?

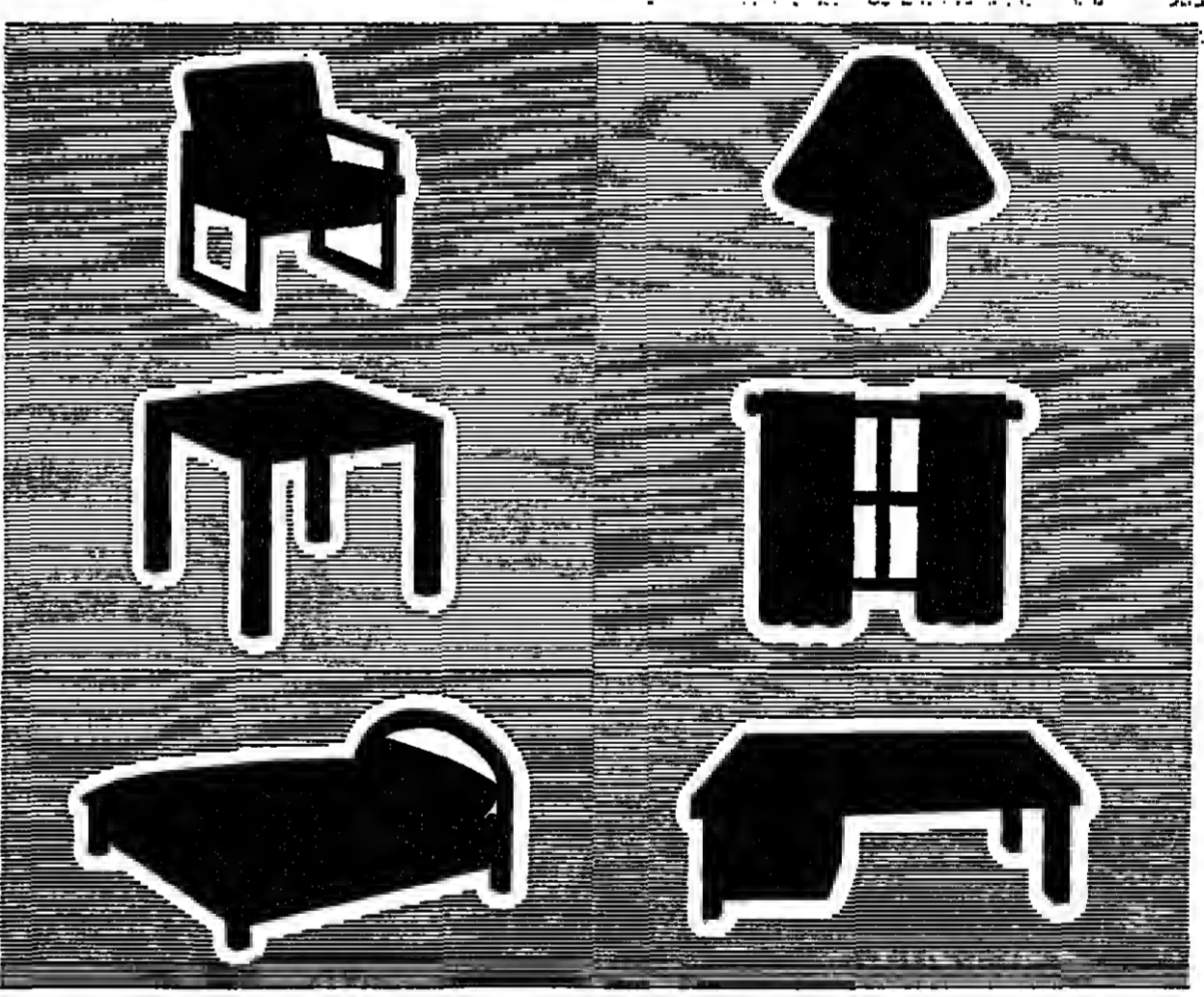
Management
An assessment of the quality of management in British industry. The rest of the survey will consist of detailed forecasts for each of the following sectors:

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OVERSEAS NEWS

Israelis shoot dead boy as West Bank violence mounts

ISRAELI troops shot dead a 12-year-old Palestinian boy and wounded six in the occupied West Bank yesterday, the fifth straight day of anti-Israeli unrest, security sources said.

Amal, Palestinians clash as Lebanon truce fails

HOSTILITIES between Palestinian and Shia fighters erupted yesterday and house-to-house battles raged at the strategic village of Maghdoush overlooking a southbound coastal highway in spite of Iranian mediation efforts.

UK protests to Iran over detention of Briton

THE BRITISH Government last night protested strongly to the Iranian authorities over the continued detention in Tehran of Mr Roger Cooper, a businessman.

Wright claims Thatcher misled parliament

BY CHRIS SHERWELL IN SYDNEY

MR PETER WRIGHT, former spokesman for Britain's MI5 security service, yesterday accused Prime Minister Margaret Thatcher of making false and misleading statements to the House of Commons over Sir Roger Hollis, the late MI5 chief investigated as a Soviet agent.



Wright: MI5 acts 'illegal and deniable'

Mr Wright, who was a member of the House of Commons for 10 years, said that Sir Roger Hollis had been investigated as a possible Soviet spy.

Mr Wright's full affidavit goes beyond his public declaration and represents a dramatic indictment of British post-war leadership and a potentially dangerous political problem for Mrs Thatcher.

Lord Rothschild, who, at one point headed Prime Minister Edward Heath's "think tank," was said to have been deeply involved in the publication of Chapman Pincher's "The Truth Is Out There" by first book to reveal that Sir Roger Hollis had been investigated as a possible Soviet spy.

However far Mr Wright's full affidavit goes, his circumscribed public declaration represents a dramatic indictment of British post-war leadership and a potentially dangerous political problem for Mrs Thatcher.

He goes on: "I now believe this is the wrong way of doing things... parliament should give MI5 the legal tools to do its job." At another point he says the work of protecting society against subversion is "too important to leave to the spies."

Mr Wright admits that a "great many" acts by MI5 officers, "including myself," contravene breaches of the law, "our operations," he said, "were often, authorised, illegal and deniable."

Mr Wright calls for a "complete change of attitude" by government, MI5 and MI6, "with so many spies," he says, "there is no hope of MI5 catching them all. The answer to Soviet penetration is greater public awareness of the problem. That is the object of my book."

Philippine rebels threaten ceasefire over arms terms

BY RICHARD GOURLAY IN MANILA

TOP MILITARY commanders and envoys for the Communist-led New People's Army (NPA) guerrillas who have been fighting a 17-year-long insurgency in the Philippines, have disagreed over how to interpret the terms of a proposed ceasefire, threatening the agreement two days before it is due to come into effect.

Egypt's 20% inflation blamed on shortages

By Tony Walker in Cairo

EGYPT'S inflation rate surged this year to 20 per cent, according to a Central Bank report. The bank said in an assessment of economic trends that inflation was from 10.1 per cent in 1984-85 to 19.2 per cent in 1985-86.

South Africa detains 256 children of 15 or less

BY ANTHONY ROBINSON IN JOHANNESBURG

MR ADRIAN VLOK, the recently appointed Minister of Law and Order, yesterday revealed that 256 children of 15 and under are being detained under the state of emergency.

Internal security laws, the committee added. Gen Johan Coetzee, the chief of police, yesterday denied that children were held in the same cells as adults or common criminals and said that regulations covering the notification of next of kin were sometimes thwarted because children gave wrong names and addresses when detained.

AMERICAN NEWS

Reagan prepares to walk a tightrope

A NEW and, for President Ronald Reagan, dangerous phase in the Iran arms scandal began yesterday with the first of what promises to be a protracted series of Congressional public hearings into the conduct of foreign policy by the White House.

Congressional hearings into the Iran arms scandal began yesterday. Stewart Fleming reports

arms sales may have been used illegally to finance Contra guerrillas in Nicaragua. Already a plethora of congressional investigations of the Iran arms scandal have been either started or announced.

The President has accepted too that the criminal investigation of the Iran affair could not credibly be conducted by Attorney General Edwin Meese, the nation's top law officer and one of his oldest political advisers. So steps are being taken under the post-Watergate 1978 Ethics in Government Act to appoint an independent commission to probe the alleged wrongdoings of top executive branch officials.

disclose what went on and the need to avoid further embarrassing America and its allies. It is also in Mr Reagan's self-interest to try to limit the disclosure of information which will embarrass the White House and the Administration.

But it will not be easy to tread this line between the need to restore public confidence in his Administration and the need to protect the US, America's allies and the White House. The White House's commitment to disclosure has already been compromised by the not-unreasonable decision of Vice President John Poindexter and Lt Col Oliver North, the two men who the White House says knew of the Iran/Nicaragua link, to refuse to answer congressional questions.

North linked to Swiss account by US officials

George Shultz takes oath as he prepares to testify before the House Foreign Affairs Committee

The White House advisory agency should stop playing international cowboy and do what it does best, act as honest broker between the barons of the Administration foreign policy establishment. Mr Scowcroft believes the NSC functions best as a co-ordinating agency providing objective advice to the President.

Texan Jim Wright is elected House Speaker

BY STEWART FLEMING IN WASHINGTON

Mr Jim Wright, a 63-year-old Democrat from Texas, was elected yesterday to succeed Mr Thomas P. O'Neill as Speaker of the House of Representatives, one of the two most powerful positions in Congress.

Honduras says US is ferrying hundreds of troops to battle zone

BY OUR FOREIGN STAFF

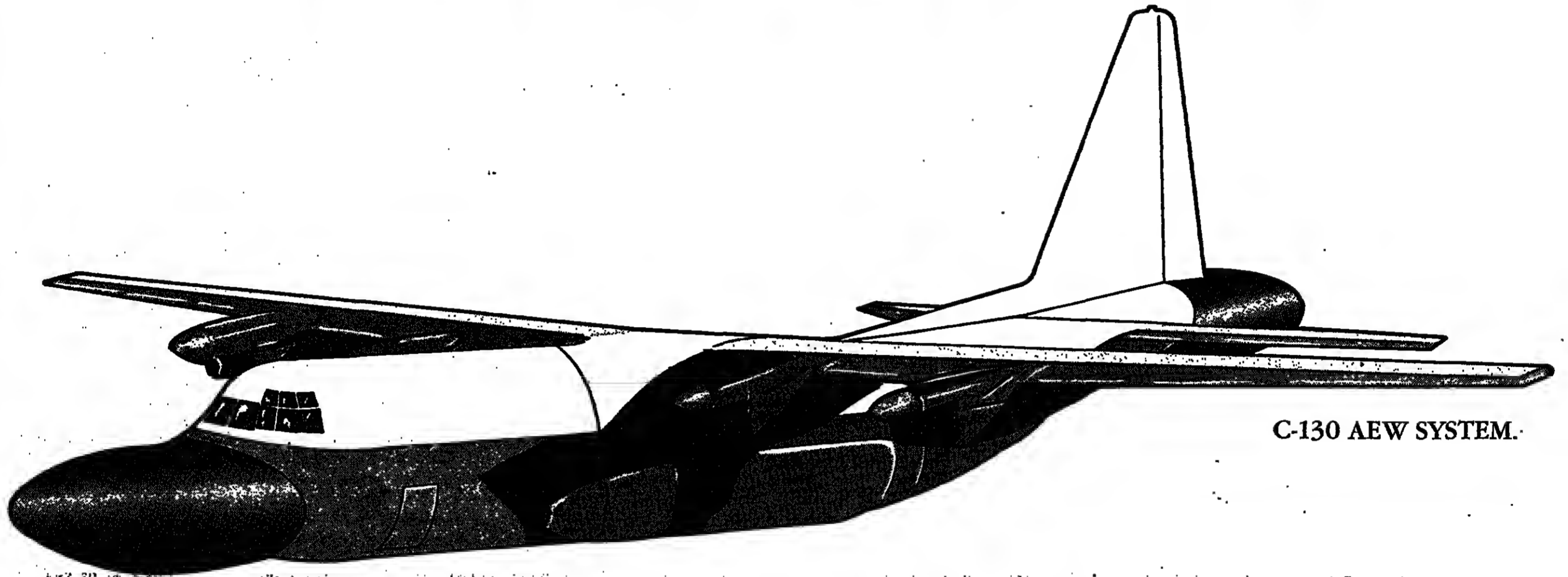
US HELICOPTERS are ferrying hundreds of Honduran troops to a battle zone at the Nicaraguan border to fight Sandinista forces who crossed the frontier in pursuit of US-backed Contra rebels, a Honduran official said yesterday.

North linked to Swiss account by US officials

THE NAME of Lt Col Oliver North, the US marine at the centre of the Iranian arms scandal, is understood to have been linked by the US Justice Department to one of two Swiss bank accounts on which the Swiss Government is seeking information from the Swiss Government.

Switzerland's federal Justice Department yesterday asked the US to supply more facts to show that a criminal investigation is being conducted in the US in connection with the bank account. Evidence was lacking in the request for legal assistance received from the US yesterday to enable the Swiss Government to order banks to block accounts or release records, Mr Jürg Kistler, of the Justice Department said.

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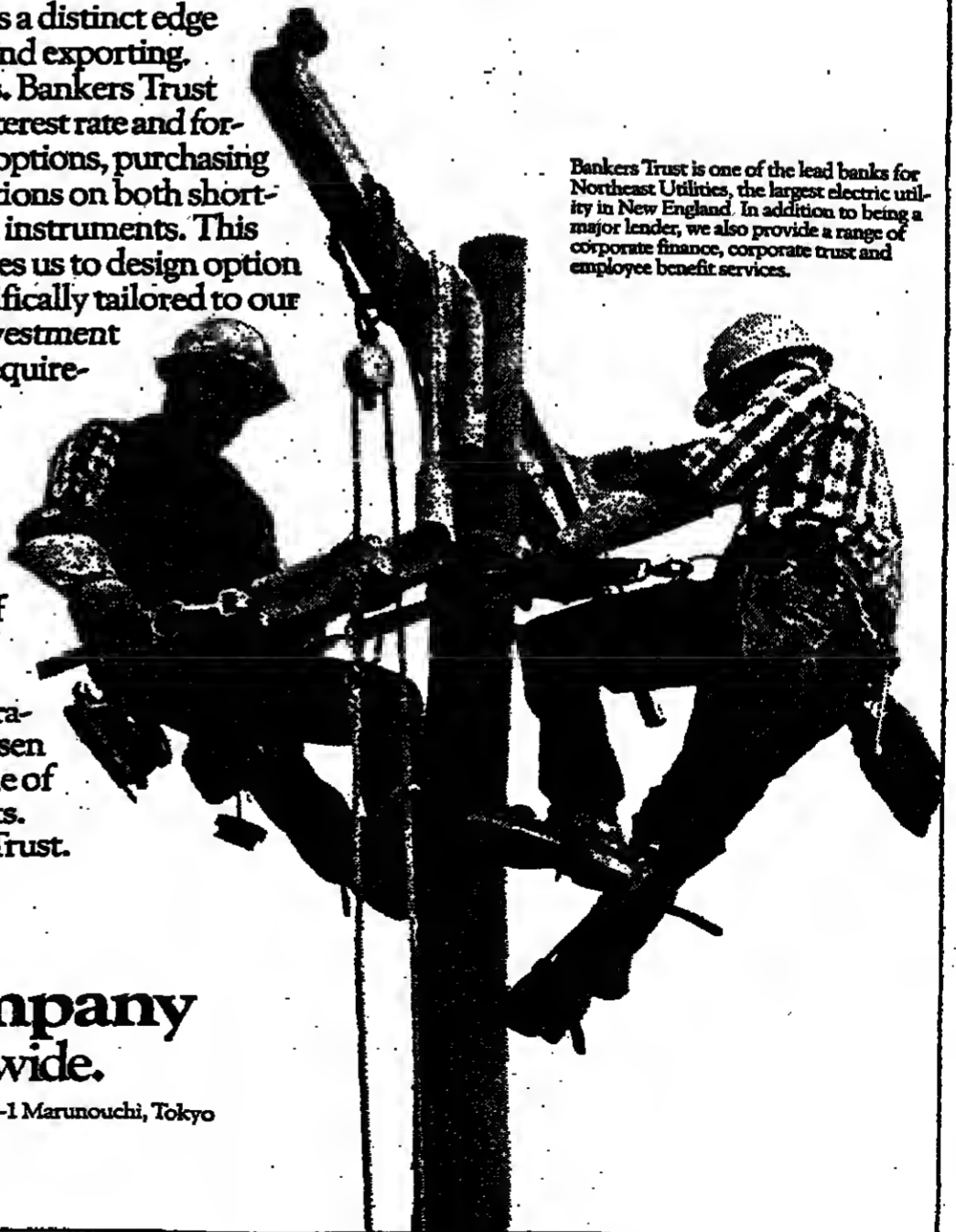
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UK NEWS

Coca-Cola, Schweppes launch joint drinks company

COCA-COLA, the world's biggest soft drinks company, and Cadbury Schweppes, the UK confectionery and soft drinks group, yesterday formally launched a new joint company which will handle their soft drink brands in the UK, Isa Wood writes.

The launch of the venture, with agreement in principle announced a year ago, comes at a time of major restructuring within the indigenous UK soft drinks industry.

Mr Dominic Cadbury, group chief executive of Cadbury Schweppes, said yesterday that the joint venture, called Coca-Cola & Schweppes Beverages, was the "big bang" of the soft drinks industry.

He said the UK soft drinks market was growing at about 5 per cent a year but was expiable of more significant growth with UK per capita consumption lagging well behind that of the US and some Continental markets.

CELAPOSE, the French-based disposable nappy manufacturer, which claims to be Europe's largest private label producer, is to open a factory in Blackwood, South Wales, with the creation of 200 jobs over the next three years.

INTERNATIONAL MOTORS, the privately owned West Bromwich company which imports Subaru vehicles from Japan and Hyundai cars from South Korea to the UK, has signed an agreement to market Isuzu cars in Britain.

OVERSEAS manufacturing companies established in Wales in the past 15 years have been generally free of strikes and industrial disputes, according to a report by the government conciliation service, Acas.

SCOTLAND'S electronics industry gained a new US manufacturer with the announcement that Innas, a California-based maker of computer accessories, media supplies and data communication equipment, is to set up a £1.2m facility at the new town of East Kilbride, near Glasgow.

CHRISTMAS posting has begun early this year with almost 60m items a day handled in the first days of December.

CARPHONE GROUP, a leading independent retailer of equipment for the fast-growing cellular telephone market, has acquired Advance Car Telephones, a London-based cellular retailer.

MR JOHN LIPFROTT became general secretary of the Union of Democratic Mineworkers, which broke away from the National Union of Mineworkers following the 1984/85 miners' strike.

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Speed-up likely for nuclear power inquiries

BY MAX WILKINSON, RESOURCES EDITOR

THE GOVERNMENT is taking steps to prevent future public inquiries into nuclear power station plans being dragged out over many years.

A report has just been delivered to Mr Peter Walker, Energy Secretary, almost four years after an inquiry began into plans to build a pressurised water reactor (PWR) at Sizewell, on the east coast of England.

The transcript of the proceedings was 24 times as long as War and Peace, and the typewritten report from the inspector, Sir Frank Layfield, ran to about 2,000 pages and 100 chapters.

Ministers have been embarrassed and annoyed by time needed to take, and then sift through, the mountains of evidence. The report is now in danger of being seen in many quarters as seriously out of date.

Arguments for building a new nuclear power station are now very different from those put forward in 1981, when the Central Electricity Generating Board (CEGB) first applied for permission to build a PWR at Sizewell.

plied for permission to build a PWR at Sizewell. Then, the CEGB said the main reason for the project was that it would reduce overall costs. More recently it has been saying that it needs new power plant to avoid the risk of power cuts in the next decade.

To avoid similar confusions, ministers want to ensure that future planning inquiries into power stations and similar projects are completed more speedily, preferably within about a year. This will be particularly important if the CEGB is to pursue its plan for a major ordering programme for four or five PWRs and an equal number of coal-fired power stations in the next 15 years.

The Government will be anxious to avoid the charge that it is stifling public debate, but it is likely to tighten up procedures. Planning inspectors will be told that they must confine their inquiries as much as possible to local issues within the framework of agreed general policy, and terms of reference will be drawn more tightly to prevent objections from ranging too widely.

Retail spending and demand for credit remain buoyant

BY JANET BUSH

RETAIL SALES remained at a high level in October while consumers continued to borrow heavily.

Figures released yesterday by the Department of Trade and Industry (DTI) showed that the volume of retail sales was unchanged at September's all-time high while the total of new credit advanced fell modestly from the September record.

It is likely that consumer spending, which is being fuelled by rising real incomes for those in employment and the general availability of credit, will have picked up steam again in the run-up to Christmas and will be given a further boost if the Chancellor of the Exchequer cuts taxes next year, as expected.

Lending by finance houses, other specialist credit grantors, retailers and on credit cards totalled £2.5bn compared with September's £2.9bn. Total advances of credit in the three-month period from August to October were 10 per cent higher than in the previous three months and lending on bank credit cards was up by 12 per cent between the two periods.

The final seasonally adjusted index of the volume of retail sales in October was set at September's level of 123.2 (1980=100). The DTI said

that in the three months from August to October the level of sales was 2 per cent higher than in the previous three months after seasonal adjustment and 8 per cent higher than in the same period last year.

A call for Mr Nigel Lawson, the Chancellor of the Exchequer, to cut the top rate of income tax from 60 to 40 per cent has been made by the Adam Smith Institute.

The independent organisation, which advocates a free-market philosophy, argues that the supply-side incentives which would result from such a reduction would increase rather than reduce tax revenues.

Industry costs jump, Page 16

Britain's \$10m Star Wars contracts exceed allies' share

BY DAVID BUCHAN

BRITAIN has won a further \$10m (£7m) in Strategic Defence Initiative (SDI) research contracts from the US, the Ministry of Defence announced yesterday, giving the UK much the largest share in SDI (Star Wars) work of any American ally.

The five contracts are for research into electromagnetic launchers, command and control, target hardening, possible Soviet countermeasures to an SDI system, and a test bed study for a European SDI system.

The latest contracts bring the UK total of SDI contracts to \$34m, which, although far below initial expectations, is well above the share of any other US ally.

Last week Mr Weinberger announced a total of \$14m in SDI contracts to mixed consortiums of 22 US companies and 29 European companies, including eight from the UK.

The single most valuable SDI award to the UK has been a \$9.5m "European Architecture Study" contract to the UK defence ministry itself, and a \$3.3m contract for the UK Atomic Energy Authority's Culham Laboratory to conduct research into the use of neutral particle beams for SDI purposes.

US officials attribute the UK's relative success in winning SDI work to the fact that Britain was the first to sign a formal agreement with Washington to participate in SDI and the fact that Britain has already done substantial missile defence work in conjunction with the Chevaline improvements to its Polaris nuclear force.

Random searches for security staff

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

THE GOVERNMENT is to introduce random searches of personnel at government security establishments, Mrs Margaret Thatcher, the Prime Minister, said yesterday.

She was replying to Dr David Owen, the Social Democratic Party leader, who had written to her asking why a 1985 Security Commission recommendation that searches of staff be carried out at government security establishments had not yet been put into effect.

The recommendations had been accepted by the Prime Minister, who said they would be implemented as quickly as possible.

In her letter to Dr Owen, Mrs Thatcher said that there were practical difficulties in putting the commission's recommendations into effect. In the case of GCHQ, the intelligence unit, the proposals involved costly changes to site layouts and the provision of extra resources, which had taken time to arrange.

Dr Owen said last night that the Prime Minister's reply was totally unsatisfactory. "No one can convince me that it should have taken three years to implement the commission's recommendations. Even now, the best we can get from the Prime Minister is that it will be done as soon as practical."

"What it shows is how little clout and follow-through capacity the Security Commission has and is a reminder of how inappropriate a body it would be if charged with oversight of the security services."

EEC cash rescue not ruled out

By Tom Lynch

THE GOVERNMENT would resist any increase in Britain's regular contributions to the EEC but would not rule out an emergency top-up to combat the Community's financial difficulties, Mrs Margaret Thatcher, the Prime Minister, told the House of Commons yesterday.

Mrs Thatcher faced the scepticism from her own back-benchers as well as from Labour MPs about the chances of avoiding a supplementary budget in view of what Mr Roy Hattersley, the deputy Labour leader, said would be a £5bn deficit by the spring.

Mrs Thatcher said the 1.4 per cent of VAT receipts which went to the EEC was enshrined by treaty which had been ratified by Britain and two other member states - the other nine would follow by the end of the year. The percentage could be varied only by the agreement of all governments.

In questions after a statement on the weekend meeting of EEC heads of government, MP's anxious about the cost of the common agricultural policy (CAP) and rising food stocks pressed her on whether there would be a supplementary budget.

Mr Hattersley said such a move was inevitable, since the EEC was facing "fiscal bankruptcy." He accused the Prime Minister of refusing to face the crisis in order to save her own face and to help Chancellor Helmut Kohl with the general election in West Germany.

Mrs Thatcher emphasised that she did not favour an increase in the Community's own resources. She said she would "strain against" any rise in the 1.4 per cent until she was satisfied that the problems of CAP had been dealt with.

She admitted that the EEC's finances were "in very, very serious difficulties." The Community might run out of money by the end of next year.

Political lobby 'may need more self-discipline'

By Peter Riddell

TIGHTER self-discipline by parliamentary journalists and restraint by Downing Street spokesmen may be necessary if the current system of unattributable briefings is not to break down, says a report by a four-member inquiry.

The team examined the position of the 150 journalists accredited by the House of Commons after a decision by The Independent newspaper not to attend unattributable briefings and by The Guardian newspaper to break the rules by attributing what is said to Downing Street spokesmen.

A ballot held in October decided by 67 votes to 55 to continue the current practice of non-attribution, that is, not specifying the identity of sources. However, parliamentary journalists also voted by 63 to 38 in favour of an inquiry.



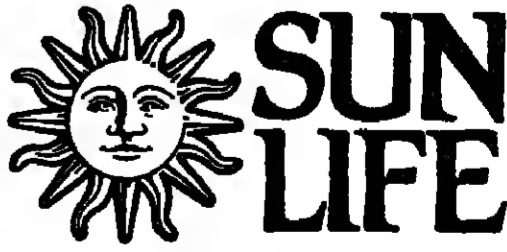
A SHINING EXAMPLE OF BRITAIN'S INVESTMENT SKILLS

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*Source: Money Management, September 1986. £1,000 invested over 1 year

UK NEWS



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Lintas Zürich SBV 1586/1

Manufacturers' input costs show steepest increase for 2 years

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

INDUSTRY suffered a sharp rise in manufacturing input costs last month, but the pace of increase in factory-gate prices remained relatively subdued.

The Department of Trade and Industry (DTI) said that its index of fuel and raw materials costs rose by 2.3 per cent in November, the steepest increase for two years. The rise was blamed mainly on the normal seasonal rise in electricity costs, on the pound's weakness in recent months against the dollar, which has pushed up the cost of imported raw materials, and on higher prices for food manufacturing materials.

Even if seasonal factors are excluded, the figures confirm the upward trend in input costs apparent since their low point in the summer. The DTI's seasonally adjusted index was 4.5 per cent higher last month than in October.

Overall, raw material and fuel costs were 3.9 per cent lower in November than a year earlier but annual comparisons in the summer months showed a fall of more than 10 per cent.

The expectation that international commodity prices have now reached a floor, along with sterling's continued vulnerability on

foreign exchange markets, have strengthened the view among economists that retail price inflation will accelerate next year.

Most independent forecasters expect the rate of increase in the retail price index to accelerate to about 5 per cent in late 1987 from the 3 per cent recorded in October, the last month for which figures are so far available. The statistics for November, to be released on Friday, are expected to show an annual rate of perhaps 3.3 or 3.4 per cent, reflecting the recent rise in mortgage interest rates.

So far, however, manufacturers are not passing on their additional fuel and raw materials costs to consumers, largely because they are still benefiting from the earlier falls. Yesterday's figures indicate that output prices increased by only 0.2 per cent in November, bringing a fall in the annual rate of growth to 4.1 per cent from the 4.3 per cent recorded the previous month.

Although average earnings in Britain are rising much faster than in Britain's major competitor countries, the impact on unit costs has recently been partly offset by a recovery in manufacturing output and productivity.

Shipment to Libya 'broke embargo'

By James Buxton

LABOUR MPs claimed yesterday that the Government's embargo on the sale of arms to Libya had been breached by the export of shiplifting gear by a Glasgow company.

The equipment, which could be used to lift submarines out of the water, is destined for the port of Al-Khums in Libya. It was recently shipped to Italy to the construction consortium, Impregilo, which is building the port for the Libyans.

Northern Engineering Industries (NEI), parent of Sir William Arrol's yard at Glasgow which made the 1,100-ton shiplift, said that it applied to the Department of Trade for an export licence but was told that it did not need one because the shiplift was not military equipment and because it was being exported to Italy.

Mr George Foulkes, a Labour foreign affairs spokesman, is claiming that the British Government knew of the shipment and was conniving at a breach of its own embargo on sales of arms to Libya, which was imposed in 1984 after the shooting of WPC Yvonne Fletcher in St James' Square, London.

Ulster court reform deadlocked

BY OUR BELFAST CORRESPONDENT

DIFFERENCES between the British and Irish governments over a reform of emergency courts in Northern Ireland remained unresolved after a four-hour meeting of the Anglo-Irish Conference in Belfast yesterday.

The conference was set up as part of the Anglo-Irish agreement signed 15 months ago and gives Dublin a say in the affairs of Ulster.

Mr Peter Barry, the Irish Foreign Affairs Minister, and Mr Alan Dukes, Minister for Justice, raised the issue of the non-jury, one-judge courts with Mr Tom King, the Northern Ireland Secretary, and Mr Nicholas Scott, Minister of State, during talks at Stormont Castle.

The Irish Government remains committed to persuading the British to introduce three-judge courts, a reform it believes is crucial if Roman Catholic confidence in the administration of justice is to improve.

The British Government has al-

ready rejected this idea, and Mr King repeated yesterday that there were "great practical difficulties."

However, the joint statement after the meeting spoke of the need "to seek constantly to develop and improve" the administration of justice, and confirmed that legal matters would be on the agenda again at the next conference meeting in the new year.

The Irish Government, which believes that progress is still attainable, has begun to apply pressure. Changes in the republic's extradition laws, under the European Convention on Terrorism, will be debated later this week in the Irish Parliament, and the Dublin Government has made clear that progress on implementing the new Extradition Bill is linked to the speed of court reforms in Northern Ireland.

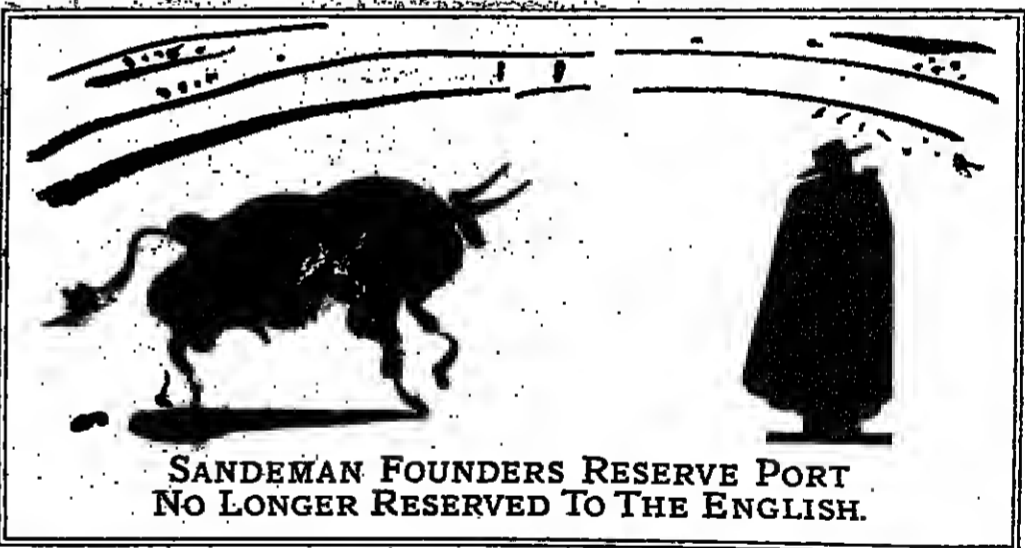
Progress on cross-border security was discussed by ministers, but neither of the two police chiefs attended, as they frequently do. They

are believed to have had a separate meeting recently to discuss implementing new measures on anti-terrorist operations and intelligence sharing.

The statement said the two sides had talked about enhancing relations between the security forces and the minority in Northern Ireland.

Mr King said an Order in Council setting out a new independent complaints procedure for the Royal Ulster Constabulary would be published shortly.

There was brief discussion of two weekend incidents when British soldiers strayed across the border into the republic. One of the soldiers, involved in a follow-up operation after a mortar attack, was detained by police in the republic for several hours. In the other incident, members of an army foot patrol were directed back across the border by local police.



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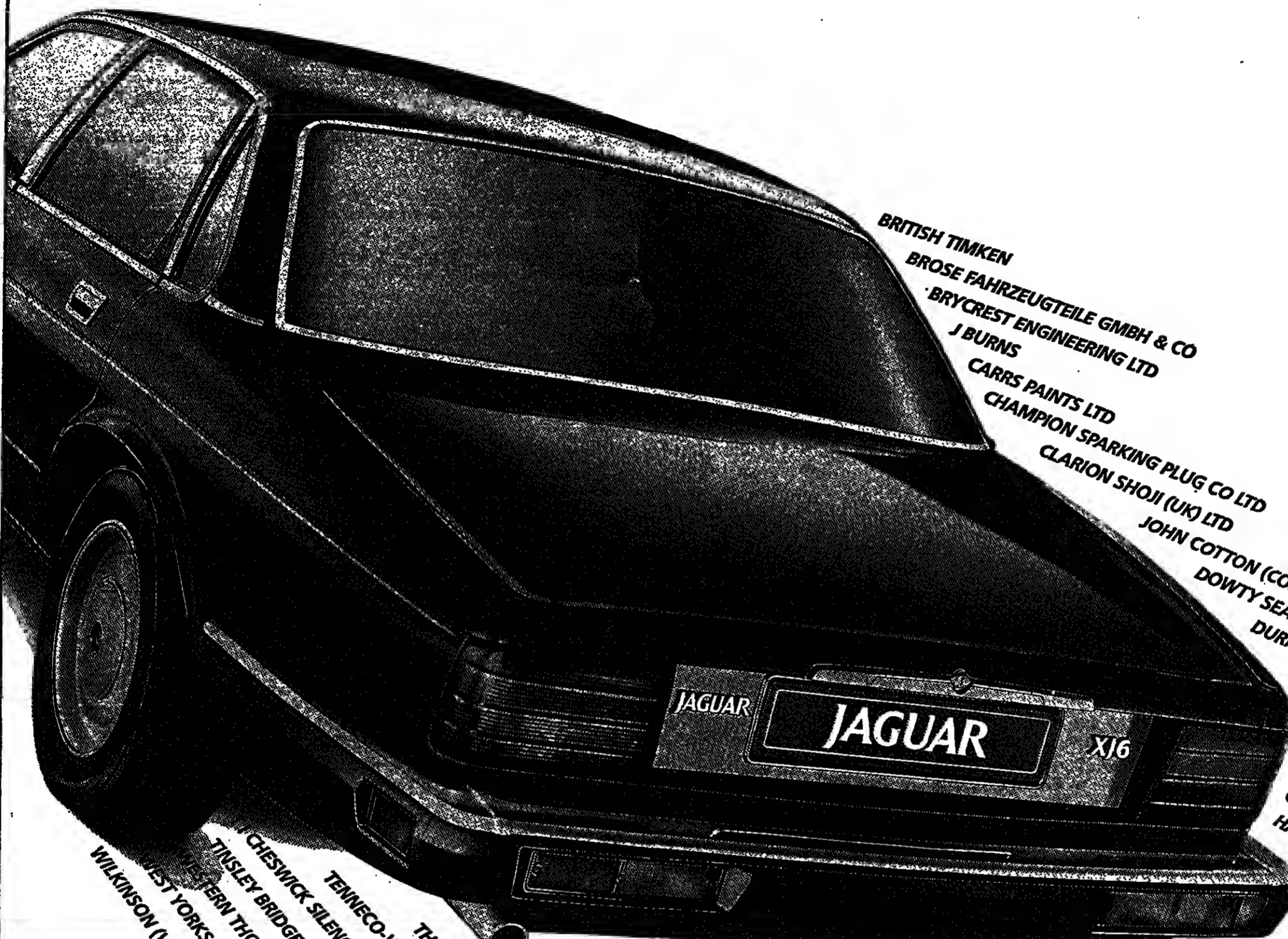
Sometimes you'd think this Swiss private bank is dealing with the causes before the effects appear.



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Inaugurated last year by the Directors of Jaguar, the suppliers awards for 1986 especially acknowledge the efforts of 44 companies that have consistently produced high standards of quality and service. All contributing to the skilled process of building a Jaguar car.

Yesterday, at a special ceremony held at London's Churchill Hotel, Giles Shaw MP, Minister of State for Industry, presented a commemorative plaque and framed certificate to each of the award winning companies.

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CENTRAL AMERICAN ECONOMY

Canute James reports on a Caribbean production sharing trend

Rising wages force Puerto Rico to help its neighbours out

THE NEED to stay competitive in the Caribbean is prompting US companies which opened subsidiaries in Puerto Rico several years ago to move some of their production to neighbouring countries. They are being attracted to the other Caribbean islands and some Central American countries because production costs in Puerto Rico, mainly wages, have moved close to those on the US mainland.

Our sales went up 22 per cent last year and net income doubled to \$1.3bn." Mr Antonio Colorado, head of Puerto Rico's economic development administration, reported the case of a shoe manufacturer which left Puerto Rico for Taiwan because of increasing labour costs. "They are back, and now competitive because they have a twin plant in another island."

The attraction of twin planting to companies worried about losing a competitive edge which economies through special trade preferences. This was part of Puerto Rico's attempt to discourage the US Treasury from pursuing proposals to do away with Section 936 — a move which the Puerto Ricans considered would have irreparably damaged the basis of the island's economy.

"Section 936 is now safe, so they do not really need the programme as part of their lobby in Washington," said one Dominican industrialist. "But the Puerto Ricans now regard some states will be forced to change their own financial disclosure legislation. This is not the only concern of the Caribbean countries which host twin plants, and which are hoping to benefit from the production sharing scheme. They welcome the jobs in a region where unemployment averages 23 per cent. Mr Rafael Hernandez Colón, governor of Puerto Rico, said the twin plant programme had created 4,000 jobs in Puerto Rico and neighbouring countries, and that if 50 of the projects under study were implemented they would result in 6,200 new jobs in Caribbean basin countries and 4,000 in Puerto Rico.

The companies' efforts are taking the form of production sharing — so called "twin plants" — and are being backed by about \$800m from the Government Development Bank of Puerto Rico. The islands administration has been increasingly concerned that loss of competitive advantage could see firms moving to the Far East.

Companies use twin plants in other countries for labour-intensive primary production, with finishing done in Puerto Rico.

"We have found twin plants to be beneficial to our operations in Puerto Rico," said Mr Kenneth Wilson, general manager of offshore manufacturing for Westinghouse, which has four twin plants in the Dominican Republic and is opening another next month. Components are assembled in the twin plant, tested in Puerto Rico and then sent to the US. Our labour rates in the Dominican Republic are 25 per cent lower than in Puerto Rico, and labour costs in the twin plant and the Puerto Rican operation work out at 15 per cent less than on the US mainland."



While the Dominican Republic, with 10 twin plants and another 20 planned, is the favoured location, another six are operating and about 30 are planned in 10 countries, including Costa Rica, Haiti, Jamaica, Barbados, Trinidad and Tobago, Panama and El Salvador.

Some states will be forced to change their own financial disclosure legislation. This is not the only concern of the Caribbean countries which host twin plants, and which are hoping to benefit from the production sharing scheme. They welcome the jobs in a region where unemployment averages 23 per cent. Mr Rafael Hernandez Colón, governor of Puerto Rico, said the twin plant programme had created 4,000 jobs in Puerto Rico and neighbouring countries, and that if 50 of the projects under study were implemented they would result in 6,200 new jobs in Caribbean basin countries and 4,000 in Puerto Rico.

"There is certainly an advantage for us in this, and any project which is viable and creates jobs we welcome," said a Barbadian government official. "But the danger from twin plants is that they lock us into a level of technology which offers little scope for improvement. It puts a cap on our industrialisation programme which limits us to assembly-type industries. While we welcome twin plants, and while we encourage them, we are aware that in terms of local value added, all we contribute is labour."

Mr Colorado suggests, however, that this perceived limitation to industrial advancement is not a real disadvantage to the countries hosting twin plants. Puerto Rico's industrialisation, he claims, started 40 years ago with operations similar to today's twin plants. The production-sharing programme has so far involved US companies. Mr Colorado is visiting London and other European cities next month to try to sell the idea of twin planting in Puerto Rico and other Caribbean countries, mainly to firms which have a market in the US. He also says there is a potential market in Japan. Not only will these companies have preferential access to the US and Canadian markets through special trade arrangements for many Caribbean countries, he said, but they will also be able to use a similar preference in selling to the European community through the Lomé convention.

"Twin planting is good business," argued Mr Alfred Roach, chairman of TTI Industries of Puerto Rico, which makes voltage surge protectors and telecommunications equipment. "Three years ago we had a lucrative takeover offer from Japan because we were able to establish twin plants in the Dominican Republic and Haiti.

The funds the Puerto Rican administration is using to back the production sharing scheme are from deposits made by US mainland companies operating in Puerto Rico under Section 936 of the US tax code, which allows exemption from taxes on income deposited in the island. The deposits are estimated at \$8bn and the island's administration says it will use a tenth of this for industrial co-operation.

Ironically, the programme was first proposed by the Puerto Rican government as an arm of the Reagan administration effort to strengthen Caribbean



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The Eiffel Tower has been a symbol of the "City of Light" for almost a century. But mainly during daytime.

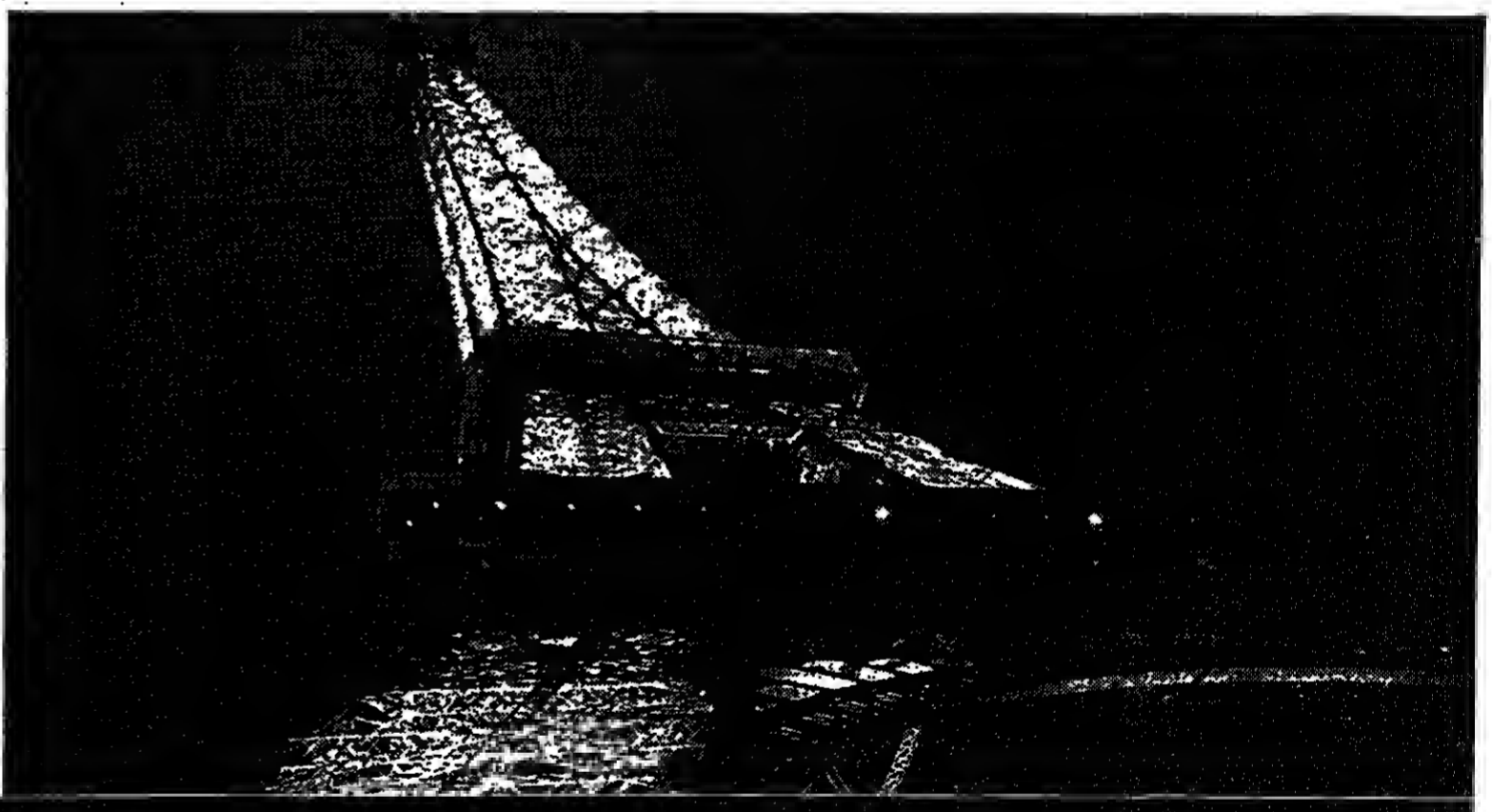
Because at night, the Tower's 30-year-old lighting scheme did not do justice to the open-lattice geometry and distinctive silhouette of this famous landmark.

Which is why the Société Nouvelle de l'Exploitation de la Tour Eiffel decided to do something about it.

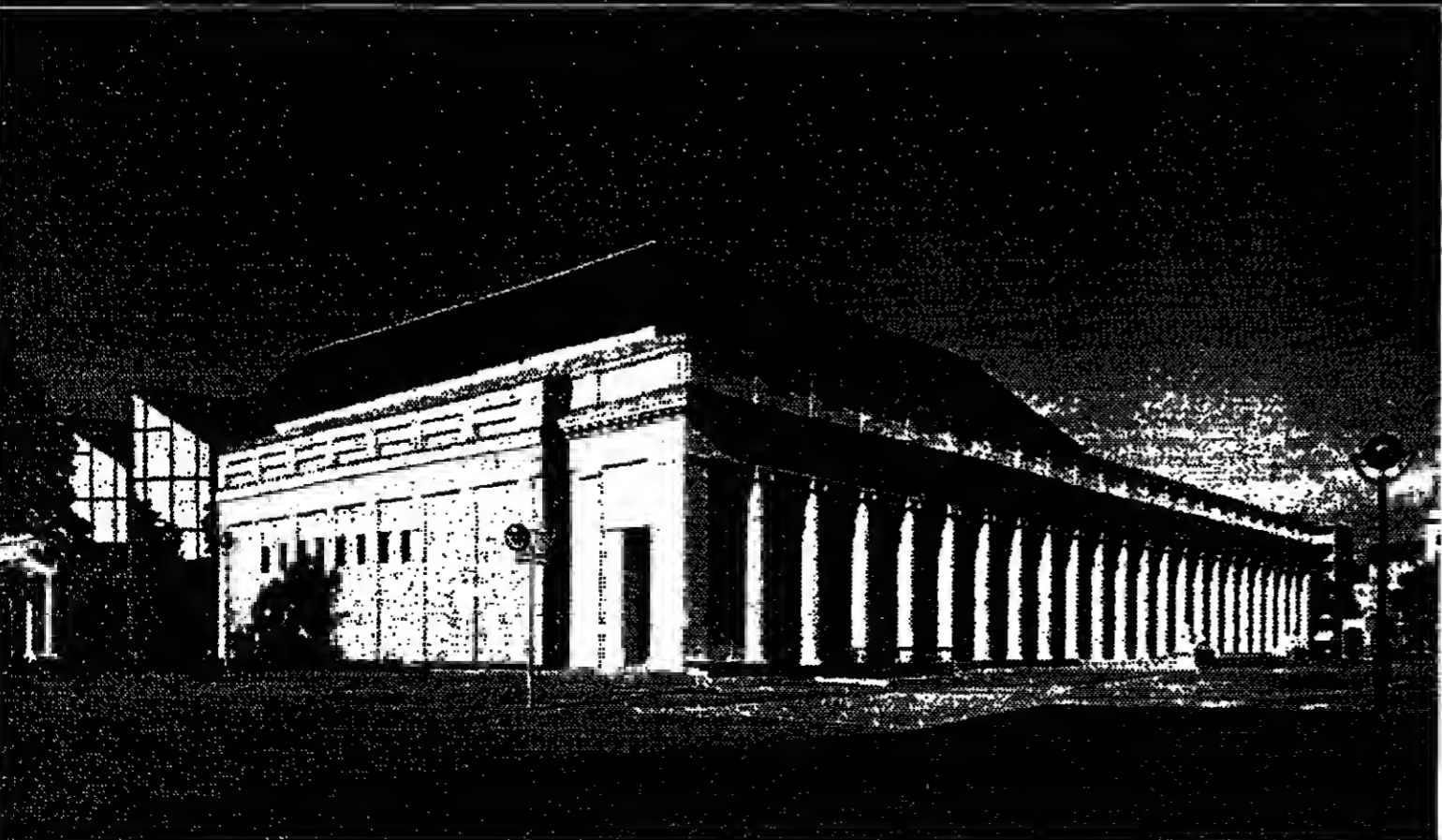
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Carter Hawley acts to thwart \$1.9bn offer

BY WILLIAM HALL IN NEW YORK

CARTER HAWLEY HALE, the embattled west coast retail chain, yesterday rejected a sweetened \$1.9bn offer from The Limited...

Shearson to raise stake in dealer

By Bernard Simon in Toronto

SHEARSON LEHMAN, the US securities firm, is to raise its interest in the Toronto-based investment dealer McLeod Young Weir from 10 per cent to 30 per cent...

Anatole Kaletsky looks at a Wall Street group's step back to 'respectability' Transamerica to spin off Delaval

TRANSAMERICA Corporation, the sprawling insurance-based conglomerate which has been ridiculed on Wall Street for having a headquarters building - the beautiful 65-story pyramid which dominates the San Francisco Bay skyline - that is more famous than any of its businesses...

business, taking in a major life and health insurance company, Occidental Life, a \$1.2bn property and casualty insurer, Transamerica Financial Corporation and a 39 per cent stake in the London-based Sedgwick Group...

by its "deconglomeration." The health and life businesses which are to be among the company's core activities have been performing poorly. After yesterday's announcement of the Delaval spinoff the shares fell 3% to \$35 1/2, compared with a peak of \$40 when the divestiture of Budget and the airline operations were announced earlier.

Bank of America sheds more assets

By Our New York Staff

BANK OF AMERICA, the large West Coast banking group, yesterday announced that it was selling its consumer trust business to Wells Fargo, another San Francisco-based bank, for \$160m. The move continues the bank's bid to bolster its weak capital ratios by shedding assets.

The book value of the business is \$2m and the sale is expected to be completed in the first quarter of 1987. Last week the group announced the \$603m sale of its profitable Italian banking subsidiary to Deutsche Bank which will result in a gain of more than \$30m in the final quarter, helping to offset a nine-month net loss of \$80m.

Bank of America's consumer trust, investment and custody services include the administration of \$11.1bn of customer assets and 12,400 individual accounts. It currently generates \$51m in annual fee revenues. Wells Fargo's own personal trust services consist of \$17.7m in customer assets and \$14,000 accounts, generating \$66m in annual fee income.

Mr Carl Reichardt, Wells Fargo's chief executive, says that Bank of America's consumer trust business has substantial strength throughout the state, particularly in southern California, where this acquisition will be "highly complementary" to Wells Fargo's own trust and investment activities.

After the acquisition Wells Fargo says that its private banking group will be the largest institutional supplier of individual fiduciary services in California and one of the largest personal trust institutions in the country.

Mr A. W. Clansen, Bank of America's chief executive, says that the sale of its consumer trust business is in line with the bank's stated strategy of focusing resources on its core businesses.

ITT seeks streamlining of Spanish manufacturing units

BY DAVID WHITE IN MADRID

COMPAGNIE Générale d'Electricité (CGE) of France and ITT of the US are understood to be seeking a public sector takeover of Marconi Espanola, ITT's Spanish electronics subsidiary.

The takeover is part of proposals aimed at streamlining ITT's loss-making Spanish manufacturing operations in advance of the launch of the European telecommunications joint venture planned by CGE and ITT.

The proposals also include the offer of a Pta 12.7bn (\$94m) capital injection for the main ITT subsidiary Standard Electrica and initiatives for new job creation, in exchange for government aid to cover about 5,800 redundancies at Standard over the next five years.

Participation by Spain's semi-state owned Telefonica group in the CGE-ITT joint venture depends on a satisfactory settlement of the future of the ITT units, in which the Spanish telephone monopoly is a minority shareholder.

Plans submitted to the Spanish authorities for both companies are believed to suggest a joint venture with a Spanish state partner, under majority Spanish control, as the only viable long-term option for Marconi.

This would be the next step after a restructuring programme involving the loss of 1,000 more jobs - leaving only about 700 - and a Pta 58m capital increase. Marconi, which had 1985 sales of Pta 9,600m, has accumulated more than Pta 15 bn in losses over the last 10 years.

Earlier this year, its activities in motor components, consumer products and signals were hived off to joint ventures controlled by other ITT subsidiaries in Europe, but no partner could be found for its defence side.

CGE and ITT argue that this falls outside the main areas of activity of

their new venture and they are not prepared to continue putting in new capital to keep Marconi going.

Their proposals for Standard Electrica, Spain's main supplier of telecommunications equipment, call for an extension of the so-called job promotion fund which the Spanish government has used for the last four years to cushion the impact of labour cuts in problem industries such as steel and shipbuilding. CGE and ITT are believed to oppose a plan based partly on early retirement, on grounds of cost.

The state assistance being sought is estimated by industry experts at more than Pta 20 bn. The company plan, after labour reduction measures already in course, would bring Standard's workforce down to under 7,000 at the end of the five-year plan. The Government wants only about half the number of redundancies, or around 3,000.

USAir in \$400m acquisition

By James Buchan in New York

USAIR, the former Allegheny Airlines that operates primarily out of Pittsburgh and Philadelphia, yesterday announced an agreement to buy Pacific Southwest Airlines (PSA), the San Diego-based carrier which dominates passenger traffic between Los Angeles and San Francisco.

The agreed offer, at \$17 a share or about \$400m, would convert two short-haul carriers into one of the top half-dozen cross-country airlines in terms of passengers.

PSA, while showing impressive volume on its main route, has been hit by vicious fare wars and the interest cost of taking on one of the youngest fleets in the industry. In the first nine months of this year, operating income for the airline fell from \$46.1m to \$29m, while net income at the parent group was transformed from a \$16.4m profit to a \$9m loss.

Daimler in link with KHD

DAIMLER-BENZ, the West German motor and industrial group, and Klöckner-Humboldt-Deutz (KHD), the machinery group, have agreed to combine their troubled tractor operations.

A new company is to be set up in Cologne which will be 80 per cent owned by KHD and 40 per cent by Daimler. It will work on the development of a new range of agricultural machinery for the 1990s.

The venture is intended to boost Daimler's sales of farm equipment outside Germany through KHD's technical knowledge for future models. Tractors account for a tiny part of Daimler's sales, while KHD is a full-time maker of agricultural machinery.

JAPAN AIR LINES COMPANY, LTD. U.S.\$100,000,000 8 1/8 per cent. Guaranteed Bonds due 1996 unconditionally and irrevocably guaranteed, as to payment of principal and interest, by Japan Issue Price 101 1/8 per cent.

Helaba Frankfurt Hessische Landesbank - Girozentrale - through its London branch - \$30,000,000 13 3/4 per cent. Notes due 1991 Issue Price: 101 1/4 per cent.

INTERNATIONAL COMPANIES and FINANCE

W. German metals group sees upturn

By Our Financial Staff
METALLGESSELLSCHAFT, the West German metals, trading and transport group, expects net profit for the year ended September 1986 to be slightly higher than the DM 81.44 (\$30.8m) earned in 1984-85.

Mr Dietrich Natus, the management board chairman said the first two months of this year were satisfactory. He said the remainder of the year would depend on the dollar and metal prices.

The fall in the dollar and metal prices lowered group turnover last year, Mr Natus said. Both factors reduced revenues to domestic smelters and trading divisions, in turn lowering domestic sales by 13 per cent to DM 9.7bn. Group turnover fell to DM 14.6bn from DM 14.8bn.

Investment volume this year will rise to DM 600m from DM 400m in 1985-86. Most of the DM 200m set aside for acquisitions is earmarked for the Canadian mining concern Cominco, in which Metallgesellschaft acquired a stake in October.

Earnings were little affected by the crash of the tin market. The company expected to recover all its tin-related losses from the International Tin Council.

Metallgesellschaft was willing to buy a bigger stake in Mount Isa Mines Holding (MIM), in which it now has slightly more than 1 per cent. MIM also has 13 per cent of the Metallgesellschaft, alongside 5 per cent held by Australian Mutual Provident Society insurance group.

Besides its present agreement to source copper concentrate through MIM, Metallgesellschaft planned to source zinc and lead concentrate from Cominco's Red Dog mine in Alaska, Mr Natus said.

Swedish banks plan financial link

BY SARA WEBB IN STOCKHOLM

A GROUP of Swedish banking and financial concerns is preparing to launch a new financial holding company with interests in commercial and investment banking, financing and fund management. The group includes Göteborgs, the country's fourth largest commercial bank.

The new holding company would have assets of SKr 65bn to SKr 70bn (\$9.3bn to \$10.1bn), equity of SKr 4bn to SKr 5bn, and earnings of SKr 13n to SKr 1.5bn. By comparison, Skandinaviska Enskilda Banken, Sweden's leading commercial bank, has total assets of SKr 174.9bn.

Trading in the shares of four banking and financial concerns was suspended yesterday.

The companies include: Göteborgs, Wermlandsbanken, a re-

gional bank which ranks sixth overall, Proventus, the investment company which controls 40 per cent of Göteborgs and which is controlled by Swedish financier Mr Robert Weill and B & B Invest, an investment company controlled by the Bonnier family, which has substantial interests in Swedish publishing. B & B Invest controls 53 per cent of the shares in Wermlandsbanken.

Trading in the shares will be suspended until December 14 while discussions between the various partners take place.

The plan is to set up a new holding company with Proventus controlling about 40 per cent of the shares.

Another 25 per cent would be controlled by several large institutions, including Wasa, a newly formed in-

urance conglomerate which holds a 5 per cent stake in Göteborgs, and possibly two of the pension funds. SPP, the private pension fund for white-collar workers, controls 5 per cent of Göteborgs.

The remaining shares in the holding company would be offered in exchange for Göteborgs shares. Mr Gabriel Urwitz, managing director of Proventus, said that there would be a new share issue, but would not disclose details.

The new holding company would control five or six separate companies responsible for commercial banking, investment banking, fund management, financing, raising mortgages, and stockbroking.

The holding company will bid for the remaining shares in Göteborgs and, according to Mr Urwitz,

"will probably" bid for 100 per cent of Wermlandsbanken.

Wermlandsbanken is a regional bank with SKr 11bn in assets, and about 60 branches, mostly in western Sweden. There is very little overlap in the branch networks of Wermlandsbanken and Göteborgs. Proventus sees Wermlandsbanken as "a well-managed bank" which could "share development and administration costs" with Göteborgs.

Both Wermlandsbanken and Göteborgs have stockbroking arms. Proventus recently acquired Jacobson & Ponsbach, one of the larger stockbrokers, for around SKr 400m, and has agreed to buy 40 per cent of the shares in B&B Invest, the investment company which owns two separate brokers

Sandoz pollution claims estimated

By William Dullforce in Geneva

SANDOZ, the Swiss chemicals group, will not be seriously hurt financially by claims for damages following the warehouse fire on November 1 which polluted the Rhine, the Zurich-based Bank Vontobel says.

The medium-term earnings outlook is not materially endangered, said Mr Claudio Werder, the bank's analyst in the first published estimate of the effect of the Basle accident.

Bank Vontobel does not expect claims for damages to reach the SFr 400m (\$242m) estimate of Sandoz's insurance cover. The company itself has put the cover at between SFr 100m and SFr 500m.

No human deaths or major casualties resulted from the fire at Sandoz's Schweizerhalle warehouse, a radical difference from the Seveso and Bhopal disasters with which it has been compared, Bank Vontobel says.

Severe damage to the Rhine's ecosystem was caused by the toxic chemicals which swept downstream, but, judging by information to date, the chemicals have not penetrated groundwater reservoirs along the river.

Damages will thus consist mainly of charges for monitoring the toxicity of the river water, the costs of providing alternative drinking water for some areas and funding the proposed clean-up of the Rhine, Bank Vontobel argues.

Loss of the warehouse and the chemicals stored there is put at SFr 20m with no more than an extra SFr 10m needed for cleaning the warehouse site. This can be claimed from insurers, Bank Vontobel says.

It will take years before a final figure can be put on the damage, according to Bank Vontobel. It says Sandoz may decide to pay damages beyond its legal liability in order to restore its tarnished image. Investment in plant and equipment will be pushed up in the near term by its enhanced environmental protection programme.

But Bank Vontobel maintains that its original conservative estimates for Sandoz's 1986 and 1987 earnings are still realistic. In October it predicted consolidated net profits of SFr 740m for 1986 and SFr 850m for 1987, compared with the SFr 654m achieved last year on a SFr 8.5bn turnover.

These earnings estimates are based on rule 52 of the US Financial Accounting Standards Board, under which losses from currency translations of foreign subsidiaries' share capital are charged directly to the consolidated equity, not to the profit and loss account. Bank Vontobel calculates the consolidated 1985 net profit at SFr 529m compared with the SFr 529 reported by Sandoz.

Bank Vontobel says it is unclear to what extent Sandoz will charge the profit and loss account with further allocations to its already substantial reserves for damages resulting from the fire. As previously expected, part of its centenary bonus could be built into the shareholders' dividend.

Placid Oil unit in deal on N. Sea gas search

THE HUNT Brothers and lenders to their company, Placid Oil, which has filed for creditor protection, have reached an agreement that allows a Placid unit to continue natural gas exploration and production in the Dutch North Sea. AP-DJ reports from Dallas, Texas.

The unit, Placid International Oil, was not part of Placid's filing under Chapter 11 of the US Federal Bankruptcy code.

In the agreement, approved by US bankruptcy judge Harold Abramson, the bank agreed not to try to seize any of the unit's assets for at least six years. A spokesman said the Hunts had been notified by the Dutch Government that it needed assurances by early on Friday that the unit would not be affected by Placid Oil's Chapter 11 filing. In August, Placid Oil, another

Placid unit and William Herbert Hunt's Trust all filed under Chapter 11.

Without agreement, the spokesman said, the Hunts feared the Dutch Government might suspend or withdraw Placid International's license to drill in the North Sea. As part of the agreement, Placid International agreed to pay the lenders \$300m to \$340m over the next six years.

Attorneys for both the banks and the Hunts said that the payments did not affect the lawsuit between the Hunts and their banks, in which the Hunts have asked for \$13.8bn, accusing the banks of breach of contract and US banking law violations, among other things.

The banks denied the charges, and are demanding that the Hunts pay back as much as \$1.5bn in loans

Malaysian cars to be exported to US

BY KENNETH GOODING IN LONDON

PROTON, the Malaysian state-owned car group which began production only a year ago, has signed a deal to export most of its output to the US.

The importer is Bricklin Industries, a privately-owned company which says it can sell 80,000 to 100,000 cars a year in the US. This would take up most of the capacity of the automated Proton factory, 30 miles from Kuala Lumpur.

Bricklin, headed by Mr Malcolm Bricklin, who in the 1970s launched Japanese Subaru cars in the US, began selling Yugoslavian Yugo cars

in the US just over a year ago at prices from below \$5,000.

The Malaysian cars will be aimed at similar markets and priced between \$5,000 and \$8,000 when they go on sale in 1988.

Proton is 70 per cent owned by the Government-owned Heavy Industries Corporation of Malaysia and the remainder of the equity is held by Mitsubishi of Japan.

The cars to be exported to the US will be based on the front-wheel drive Mitsubishi Lancer and restyled by International Automotive Design of the UK.

Jamaica Bank issue 'success'

BY CANUTE JAMES IN KINGSTON

THE FIRST stage of the Jamaican Government's two-phase divestment of the state-owned National Commercial Bank, the island's largest, has been oversubscribed by 175 per cent, according to Mr Edward Seaga, the Prime Minister and Finance Minister.

The offering, described by brokers as the biggest on the island's stock exchange, involved the sale of 51 per cent of the NCB's 60m shares for J\$90m (\$18.2m). The remaining

shares will be offered in the middle of next year.

The sale is part of a plan by Mr Seaga's administration to divest state enterprises, and he has promised to offer more government companies for sale early next year.

"The NCB offer has been a spectacular success and marks a milestone in the Government's privatisation plan," Mr Seaga said.

Officials said preference would be given to small investors

Teollisuuden Voima Oy
 (TYO Power Company)

U.S.\$100,000,000
 Floating Rate Notes due 2004

Notice is hereby given that the Rate of Interest for the final Interest Sub-period of the Interest Period ending on 9th January, 1987 has been fixed at 6 1/4% per annum. Coupon No. 11 will therefore be payable at US\$156.97 per Coupon on 9th January, 1987.

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Chase Manhattan Gilts Ltd	Lloyds Merchant Bank (Government Bonds) Ltd
Citicorp Scrimgeour Vickers	Merrill Lynch Government Securities
County NatWest Gilt-Edged Securities	Messel Gilts Ltd
Goldman Sachs Government Securities (UK) Ltd	Morgan Grenfell Government Securities
	Morgan Guaranty Sterling Securities
	Phillips & Drew Mouldsdaile

(*Available early 1987)

MAFINA B.V.

Notice to the Holders of Bonds of the issue

4 1/2% 1973/1988 of U.S.\$75,000,000

Notice is hereby given to the holders of bonds that the 4th annual instalment of bonds amounting to U.S.\$7,680,000 has been purchased for redemption on January 1, 1987 and that consequently no drawing by lot will take place.

Amount outstanding on January 1, 1987: U.S.\$30,720,000.

By BANQUE INTERNATIONALE A LUXEMBOURG
 Société Anonyme

Luxembourg, November 28, 1986

STOCKHOLDERS FAR EAST INVESTMENT INC.
 Net Asset Value 30th November 1986

\$5.11
 per share (unaudited)

ENERGY RESOURCES & SERVICES INCORPORATED
 Net Asset Value 30th November 1986

\$7.90
 per share (unaudited)

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In accordance with the provisions of the Notes, notice is hereby given that, for the three months period, 5th December, 1986 to 5th March, 1987, the Notes will bear interest at the rate of 11 1/4% per annum. Coupon No. 8 will therefore be payable on 5th March, 1987 at £1,448.63 per coupon from Notes of £50,000 nominal and £14.86 per coupon from Notes of £5,000 nominal.

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Mitsubishi Chemical drops aluminium

BY IAN RODGER IN TOKYO

MITSUBISHI CHEMICAL is closing its Sakai aluminium smelter and withdrawing from the aluminium smelting business in Japan...

C. H. Tung shareholders approve capital plan

By Our Financial Staff

SHAREHOLDERS of C. H. Tung, the financially hard-pressed Hong Kong ship owning group...

Lonrho transfers control of African mining interests

BY JIM JONES IN JOHANNESBURG

FEARS THAT the Zimbabwean and Zambian Governments will restrict dividend payments to South Africa have prompted Lonrho to rearrange the control of its mining interests...

Net profits plunge 57% at Japanese electrical group

BY YOKO SHIBATA IN TOKYO

MITSUBISHI ELECTRIC has reported a decline of 57 per cent in consolidated net profits to ¥7.9bn (\$48.6m) in the first half-year to September...

Tanabe Seiyaku ahead

BY OUR TOKYO STAFF

TANABE SEIYAKU, the Japanese drugs group, posted pre-tax profits of ¥8.75bn (\$53.8m) for the half-year to October 1986...

and slow spending on plant and equipment by private companies. Sales of consumer products fell by 2 per cent to ¥293.2bn...

This would leave one remaining serious obstacle to the proposed long-term restructuring—the opposition of Toyo Menka, the Japanese trading company...

The restructuring scheme agreed yesterday by shareholders received the formal endorsement of the creditors (other than Toyo Menka) a month ago...

The private companies in the Tung group, owing a further US\$1.3bn, are also involved in the same process.

Bond details structure of HK company

By Kevin Hamlin in Hong Kong

BOND CORPORATION, the Australian brewing, property and industrial group, has detailed the structure of its subsidiary company to be publicly listed in Hong Kong...

Bond will issue 116m new shares at HK\$1.18 each, with one warrant for every two shares. Bond will subscribe to an additional 180m shares, also with warrants...

Interest Rate: 6 3/4% per annum. Interest Period: 8th December 1986 to 9th March 1987.

Interest Rate: 11.33% per annum. Interest Period: 8th December 1986 to 8th January 1987.

Interest Amount per £5,000 Note due 8th January 1987: £48.11. Interest Amount per £50,000 Note due 8th January 1987: £481.14.

U.S. \$150,000,000 First Interstate Overseas N.V. Guaranteed Floating Rate Subordinated Notes Due 1995.

U.S. \$100,000,000 GW Great Western Financial Corporation Floating Rate Notes Due 1995.

U.S. \$150,000,000 Midland International Financial Services B.V. Guaranteed Floating Rate Notes 1992.

U.S. \$100,000,000 PRUDENTIAL CORPORATION plc Floating Rate Notes Due 1995.

U.S. \$150,000,000 Midland International Financial Services B.V. Guaranteed Floating Rate Notes 1992.

U.S. \$100,000,000 PRUDENTIAL CORPORATION plc Floating Rate Notes Due 1995.

U.S. \$150,000,000 Midland International Financial Services B.V. Guaranteed Floating Rate Notes 1992.

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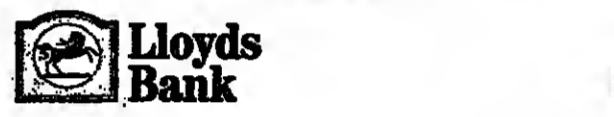
Table with columns: High, Low, Company, Price, Change, Div. (p), Yield, P/E. Lists various securities like Am. Bril. Ind., Am. Bril. Ind. CULS, etc.

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Lloyds Bank Plc

(Incorporated in England with limited liability) U.S. \$750,000,000 Primary Capital Undated Floating Rate Notes - Series 1

In accordance with the terms and conditions of the Notes and the provisions of the Agency Agreement between Lloyds Bank Plc and The Chase Manhattan Bank, N.A., dated 5th June, 1985...



9th December, 1986 By The Chase Manhattan Bank, N.A., London, Agent Bank

Pacific Dunlop to link tyre operations with Goodyear

GOODYEAR Tyre and Rubber of the US and Pacific Dunlop of Australia are to merge their tyre manufacturing, marketing and retail operations in Australia, New Zealand and Papua New Guinea...

The companies will invest A\$200m in new facilities in the next five years to make Australia an internationally competitive tyre producer...

The venture is expected to come into effect in early 1987 after government approvals are received. Almost half of the proposed

UIC buys into Singapore Soviet Shipping

By Joyce Quek in Singapore

UNITED INDUSTRIAL CORPORATION (UIC), the Singapore-based chemicals, property and investment group, has paid S\$3m (US\$1.38m) for 50 per cent of Singapore Soviet Shipping Company (Sinsov).

The consideration, at "distress sale" prices from a company in receivership, amounts to a discount from the S\$5m book value.

Sinsov employs 120 in a monopoly as a general agent to Soviet shipowners. It regulates shipping end forwarding activities between Soviet trade organisations and their foreign partners.

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INTERNATIONAL CAPITAL MARKETS and COMPANIES

French Buitoni to raise FFr 445m

BY PAUL BETTS IN PARIS

BUITONI SA, the French subsidiary of the Italian food group controlled by Mr Carlo De Benedetti, is raising FFr 445m (\$68m) through a new international equity issue to finance the company's development and future acquisitions.

The French subsidiary of Buitoni recently absorbed Buitoni's UK and Dutch interests to form a big new French-based food group with annual sales expected to total FFr 4.6bn this year and net profits of about FFr 80m.

operation will help support the new French-based Buitoni food concern's expansion plans, including acquisitions in France and possibly in other European countries.

Mr David is the former owner and founder of Davigel, a leading French distributor of frozen foods with sales last year of about FFr 1.34bn.

Rush to launch convertibles in Tokyo

By Yoko Shibata in Tokyo

THE DIRECTION of Tokyo's volatile stock market may be unclear these days, but the convertible bond (CB) market is booming.

Prices ease as investors show reluctance to buy

BY CLARE PEARSON

THE APPROACH of the holiday season began to affect the Eurobond market for the first time yesterday. Investors were reluctant to buy many more bonds before the year end and prices edged easier in many sectors.

New issuers generally found a slow response to their bonds in this unenthusiastic market, although a crop of deals in a variety of currencies was launched.

attract Far Eastern interest with an Ecu 7.5m 7 per cent 10-year bond priced at 100.1 for the South Australian Government Financing Authority.

INTERNATIONAL BONDS

Two deals surfaced in the Ecu sector yesterday following Friday's successful 3 per cent 10-year issue for the European Coal and Steel Community.

Prices of equity warrants moved firmer yesterday and Dow Europe found a strong response for its \$100m five-year deal for Kajima.

Morgan Grenfell acquisition

MORGAN GRENFELL (ASIA), the wholly owned subsidiary of the London merchant bank of the same name, has applied to the Stock Exchange of Singapore for approval of its purchase of a stake in Su F-Min, a Singapore broker.

Danish medium-term notes

BY ALEXANDER NICOLL, EUROMARKETS EDITOR

DENMARK yesterday became the first sovereign borrower to arrange a medium-term note programme in the Euromarkets, marking an important step forward for the fledgling Euro-MTN market.

Denmark's willingness to issue MTNs was underlined by its recent arrangement of a \$1bn two-year Eurobond—a rare maturity for the market.

Euromarkets in the past few months as concern has increased about its mounting current account deficit.

THF sets up multi-option facility

TRUSTHOUSE FORTE, the UK hotel and catering group, has mandated National Westminster Bank to arrange a £250m multi-option facility to replace existing committed facilities.

The seven-year deal will entitle THF to receive funds at a maximum of 10 basis points over London interbank offered rates (Libor), with the borrower also shouldering the costs of mandatory liquid asset require-

ments for UK banks. It may also receive swingline advances and will have the option of an uncommitted facility with a tender panel.

Wm Morrison Supermarkets, a North of England retailer, is arranging a \$70m five-year transferable multi option facility including a \$40m committed standby, with Samuel Montagu as lead manager.

Advertisement for LTCB (The Long-Term Credit Bank of Japan, Limited) featuring ECU70,000,000 7 3/4% Notes Due 1991. Lists various international banks as partners.

Institutional buying steadies Indian SEs

INDIA'S big publicly owned financial institutions stepped in yesterday to put a brake on a slide in share prices on all three of the country's principal stock exchanges.

Prices ease as investors show reluctance to buy

Prices of equity warrants moved firmer yesterday and Dow Europe found a strong response for its \$100m five-year deal for Kajima.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Table of international bonds with columns for currency, issuer, maturity, and price. Includes sections for US Dollar, Other Straights, Floating Rate, and Convertibles.

Investors to buy

attract Far Eastern investors
an Ecu 75m 7 1/2 per cent
bond priced at 100 1/2 by
South Australian Government
Financing Authority.

Both deals were priced at
prices representing a discount
equivalent to or slightly below
yesterday.

Goldman Sachs
CS50m five-year 9 per cent
for Kellogg Salada
Canadian subsidiary of Kellogg
The deal was priced at 98 1/2.

Prices of equity
bonds moved firm
and Dow Jones Europe
strong response for the
five-year deal for Kellogg
building and civil works
concern. The issue, which
was indicated 3 1/2 per cent
a par issue price.

Prices of dollar
floating rate notes continue
recover after last week's
falls. Some investors were
ing up bonds at lower
with deals for the banks
borrowers, including
clearing banks, attracted
most demand.

In quiet trading the
market maintained a firm
yesterday. Deutsche Bank
DM 150m 10-year 8 1/2 per
bond for KfW. The deal,
at 99 1/2, traded at a 1/2 per
6 1/2 within 2 1/2 per cent
of par.

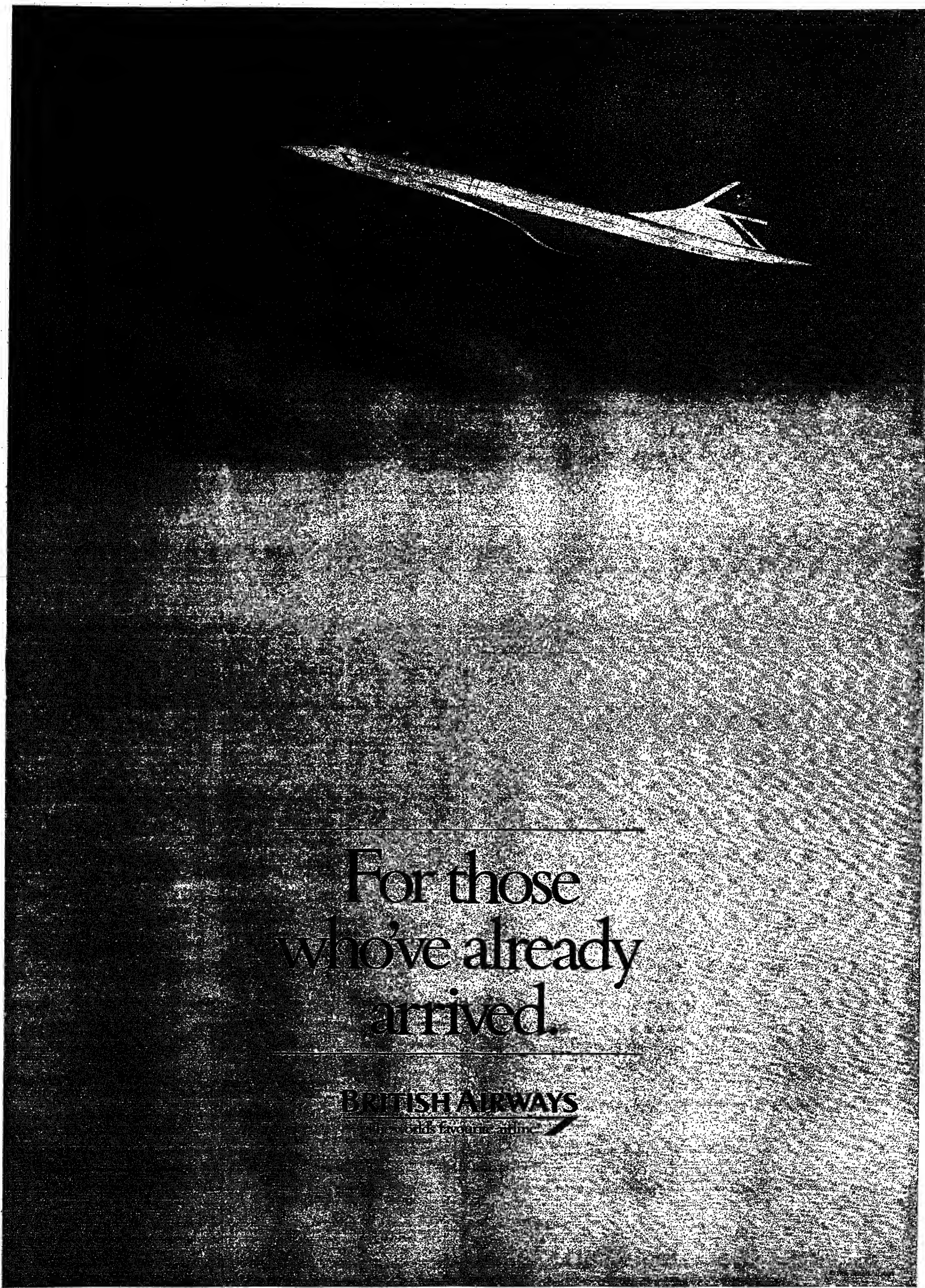
Prices edged higher
Swiss franc market. Am
Express Bank's SF 200m
cent bond closed its first
trading at 99, compared
par issue price.

J Henry Schroder Bro
Nippon Glass's first
national issue: a SF 200m
year note with equity
with an indicated 3 1/2 per
coupon.

SERVICE

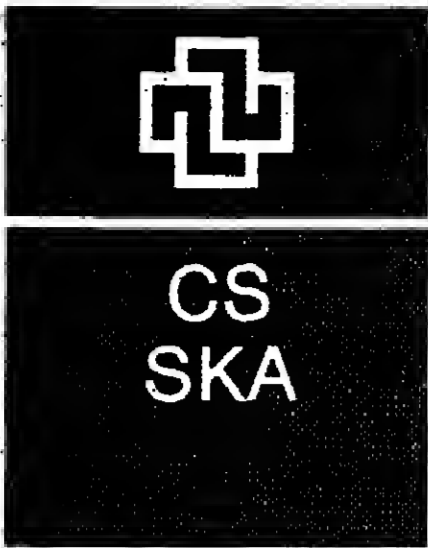
Interbank market
Closing prices on Dec 8

Instrument	Price
3-month bill	100 1/2
6-month bill	100 1/2
12-month bill	100 1/2
18-month bill	100 1/2
24-month bill	100 1/2
30-month bill	100 1/2
36-month bill	100 1/2
42-month bill	100 1/2
48-month bill	100 1/2
54-month bill	100 1/2
60-month bill	100 1/2
66-month bill	100 1/2
72-month bill	100 1/2
78-month bill	100 1/2
84-month bill	100 1/2
90-month bill	100 1/2
96-month bill	100 1/2
102-month bill	100 1/2
108-month bill	100 1/2
114-month bill	100 1/2
120-month bill	100 1/2
126-month bill	100 1/2
132-month bill	100 1/2
138-month bill	100 1/2
144-month bill	100 1/2
150-month bill	100 1/2
156-month bill	100 1/2
162-month bill	100 1/2
168-month bill	100 1/2
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180-month bill	100 1/2
186-month bill	100 1/2
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252-month bill	100 1/2
258-month bill	100 1/2
264-month bill	100 1/2
270-month bill	100 1/2
276-month bill	100 1/2
282-month bill	100 1/2
288-month bill	100 1/2
294-month bill	100 1/2
300-month bill	100 1/2



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CREDITO SVIZZERO**

**CS OPTIONS
ISSUED BY CREDIT SUISSE**

**Introduction of the following covered options
for quotation on the Zurich, Basle and Geneva
stock exchanges ('Vorbörsen')
on 8th December, 1986**

- CS OPTIONS 'NESTLÉ'
- CS OPTIONS 'SWISS RE'
- CS OPTIONS 'SULZER'
- CS OPTIONS 'WINTERTHUR'
- CS OPTIONS 'ZURICH'

Credit Suisse has offered covered options (hereinafter referred to as 'CS Options') in the following Swiss registered shares:

- 500,000 CS Options on Nestlé SA Registered Shares
- 120,000 CS Options on Swiss Reinsurance Company Registered Shares
- 50,000 CS Options on Sulzer Brothers Ltd Registered Shares
- 48,000 CS Options on Winterthur Insurance Company Registered Shares
- 150,000 CS Options on Zurich Insurance Company Registered Shares

1. Characteristics of the Options

An option is less expensive than the underlying securities in which the option gives a right of purchase. The holder of the option has, with a smaller invest-

ment, a similar *absolute* potential for capital gain or loss as the holder of the underlying securities. The price of the option, expressed as a percentage, is usually more volatile than the price of the securities.

2. The CS Option

An option is a certificate which gives the holder the right ('Option Right') to purchase a specified number of securities of a company during a specified period of time ('Exercise Period') at a stipulated price ('Exercise Price'), within the statutory restrictions of that company. In the case of CS Options for registered shares of another company, the related underlying registered shares may only be acquired by individuals whose ownership is permitted to be recorded in the company's stock register; the holder of an option cannot claim delivery if the requirements for registering his name on the company's books are not met.

In principle, Swiss citizens and legal entities defined as predominantly Swiss may acquire registered shares of these companies and their ownership may be recorded in the company's share register.

3. Information about Credit Suisse

For detailed information about Credit Suisse, we refer to the comprehensive prospectus dated 25th March, 1986 published with respect to the 1986 capital increase, as well as the short prospectus of 21st August, 1986; both appeared in the 'Neue Zürcher Zeitung', the 'Basler Zeitung' and the 'Journal de Genève'.

Option Right	CS Options 'Nestlé'	CS Options 'Zurich'	CS Options 'Swiss Re'	CS Options 'Sulzer'	CS Options 'Winterthur'
	10 Options give the right to buy one Nestlé Registered Share	6 Options give the right to buy one Zurich Registered Share	12 Options give the right to buy one Swiss Re Registered Share	5 Options give the right to buy one Sulzer Registered Share	6 Options give the right to buy one Winterthur Registered Share
Exercise Price	SFr. 4,750.—	SFr. 3,700.—	SFr. 7,700.—	SFr. 3,050.—	SFr. 3,750.—
Exercise Period	1st January, 1987 until 15th December, 1989	1st January, 1987 until 15th December, 1989	1st January, 1987 until 30th April, 1990	1st January, 1987 until 30th April, 1990	1st January, 1987 until 15th December, 1989
Payment Date	25th November, 1986	28th November, 1986	28th November, 1986	4th December, 1986	5th December, 1986
Shares Reserved for Exercise of Options	50,000 Nestlé Registered Shares, at SFr. 100.— nominal value	25,000 Zurich Registered Shares, at SFr. 100.— nominal value	10,000 Swiss Re Registered Shares, at SFr. 250.— nominal value	10,000 Sulzer Registered Shares, at SFr. 1,000.— nominal value	8,000 Winterthur Registered Shares, at SFr. 100.— nominal value
Swiss Security Number	133.344	133.342	133.343	133.341	133.339

For the above-mentioned CS Options, all of which have been placed at SFr. 100 each, the following general conditions apply

Receipt and Ownership of Registered Shares

The respective company's current regulations apply regarding purchase of shares and registration of shareholders upon exercise of the Option.

Exercise of the Options

The holder of the Option can only exercise his right to acquire shares if he is eligible for registration in the particular company's share register.

Credit Suisse does not, therefore, guarantee that the holder of the Option can acquire the underlying registered shares of the company or be listed as a registered shareholder.

Dividend Rights

Registered shares acquired upon exercise of the Options are entitled to all dividends payable thereafter.

Securing the Option Rights

In order to secure the exercise rights arising from the Options, a sufficient number of registered shares in the particular company for exercise of the Options is held on deposit by Credit Suisse. This reserved amount will decrease proportionally as Options are exercised.

Dilution Protection

If, during the Exercise Period of the Options, the respective company offers preemptive subscription rights on new equity (shares or participation certificates) or bonds (convertible or with warrants attached) to its existing shareholders, the holder of the Option can exercise his right

(if eligible for registration in the share register), up to 10 days prior to the official beginning of the trading in subscription rights. In this case the holder acquires registered shares to which subscription rights for new equity or debt securities pertain. For Options that have not been exercised before the aforementioned deadline, the relevant Exercise Price shall be reduced by an amount equal to the average of the daily closing prices on the Zurich Stock Exchange on each day of the official trading in subscription rights to which the holders of registered shares are entitled.

Notice of the new exercise price will be given at the latest 10 days after the last day of the official trading period of the subscription rights. Orders to exercise the Options at the reduced exercise price will be executed at the earliest on the day of publication.

Procedure

The exercise of the Option is effected by presenting the Option certificates at any Credit Suisse branch office in Switzerland and making a simultaneous cash payment at the Exercise Price. The exercise is free of charge to the holder.

Notices

Notices related to all Options referred to herein will be published once in the 'Feuille Officielle Suisse du Commerce' and a daily newspaper in Zurich, Basle and Geneva.

Zurich, 25th November, 1986

CREDIT SUISSE

UK COMPANY NEWS

Simon attacks Valuedale 'buy-in'

BY CLAY HARRIS

Simon Engineering yesterday stepped up its defence against Valuedale's proposed £178m management 'buy-in' with an attack on the borrowing required to finance what it described as an 'outrageous bid'.

Valuedale bid, pointing in particular to Haden's sale of its building services division only ten months after Mr Ling's successful management buy-out effort promised its continued expansion.

Simon, noted yesterday, however, that Valuedale's deferred ordinary shares would have full voting rights from the start and that their conversion could also be triggered by a change of voting control.

It also said that the level of borrowing should quickly come down, in part because there was sufficient cash flow to service both interest and principal.

Hardanger rises 35%

A 35 per cent increase to £3.2m (28.6p) in pre-tax profits is reported by Hardanger Properties for the year to September 30 1986. The dividend is raised from 9.8p to 11.35p with a final of 7.81p (7p).

Redland takes full control of its Dutch subsidiary

BY DAVID GOODHART

Redland, the building materials group which has expanded rapidly in the US in recent weeks, yesterday spent £27m buying 100 per cent control of its Dutch subsidiary, Redland Bredero.

Redland already owns half the company and is buying the other half of Verenigde Bedrijven Bredero.

Laing buys 60% stake in Oilfab

By James Baxter, Scottish Correspondent

John Laing, the construction and engineering company, has acquired a 60 per cent stake in Oilfab, a privately-owned offshore engineering specialist in Aberdeen. The value of the transaction was not disclosed.

Glaxo sales soar 40% in first 5 months

GLAXO HOLDINGS' sales for the five months to end-November soared by almost 40 per cent over the equivalent period last year, boosting its share price 21p to close at 935p.

Mr Paul Girolami, chairman of the pharmaceuticals group, told shareholders at the annual general meeting yesterday that Glaxo's good start to the year had been assisted by favourable exchange rate movements.

Slush Puppy group makes £14m offer for United Trust & Credit

BY DAVID GOODHART

Somportex Holdings, the Slush Puppy drinks and confectionery group controlled by investment specialists Mr Nigel Wray and Mr Clive Mattock, has made an agreed £14m offer for United Trust & Credit the issuing house and equity dealer.

Following the merger, it is proposed that Mr J. Vincent, chairman of the enlarged group, and Mr Wray and Mr Edgar Palamoutian, chairman of the Wider Share Ownership Council, join as non-executive directors.

UTC, which made pre-tax profit of £204,000 on turnover of £8.2m in the first six months of 1986, was formed in 1982 and joined the USM in September.

CHANGES in company share stakes announced over the past week include: American Electronic Components director Mr C. Mills purchased 17,000 shares at 23p.

Petrolol - director Mr W. Elliott Jr, resigned on 28th November. His consultancy arrangements with Petrolol America are unaltered. On November 28 Mr Elliott Jr sold 100,000 shares.

210p and 75,000 at 206p and Mr M. Bank, managing director, purchased 25,000 at 210p. Daks Simpson Group - Director Mrs G. Andrews disposed of 100,000 'A' non-voting shares.

Tiphook has 49% of Mitchell Cotts

Tiphook, the container and trailer leasing company, is the owner of the 'significant' second share stake in Mitchell Cotts. News of the stake was given by Mitchell Cotts chairman Mr John Storar at last week's annual general meeting, though he refused to identify the owner of the holding because it was below the 5 per cent level.

London & Edinburgh Trust acquires 5% stake in BCA

BY TERRY POVEY

London & Edinburgh Trust, the fast-growing property company run by Mr John Beckwith, yesterday announced a 5 per cent stake in The British Car Auctions Group and rather surprised the City by making a profit forecast for the auction group.

Mr Beckwith said: "We have agreed terms on a joint venture basis for LET and BCA to work together to exploit the considerable hidden property potential within BCA which trades from 26 sites in the UK and the US."

Sun Life Assce to reorganise its structure

Sun Life Assurance Society, a major UK life company, is proposing a major reorganisation to its corporate structure. The capital of the group would, under those proposals, be held by a new non-trading holding company, Sun Life Corporation, which would not be classified as an insurance company.

Pict Petroleum runs into losses of £3.2m

Reduced trading and heavy write-downs led Pict Petroleum into a loss of £3.2m in the year ended June 30 1986, compared with a profit of £21.000 in the previous eight months.

Following the oil price collapse, the policy had been to reduce exposure by undue risk and to conserve cash.

Demerger purchases more L & N shares

Demerger Two, the specially formed company attempting to take over London and Northern, the construction, energy and healthcare group, has acquired a further 200,000 shares through its associates.

KLARK-TEKNIK's chairman, Mr Philip Clarke told the annual meeting that the current year had started well, and during the first four months sales of its traditional products had increased over those of the same period last year.

proving more protracted than anticipated. Extension and broadening of activities expected although hampered by limited resources.

pre-tax profits £120,000 (£121,000). Tax £42,000 (£43,000). Earnings per share 11.14p (10.86p).

Advertisement for AB SVENSK EXPORTKREDIT (SWEDISH EXPORT CREDIT CORPORATION) featuring SEK logo and 'ICE BEAR BONDS'.

Table titled 'DIVIDENDS ANNOUNCED' listing companies like Beaverts, Debon Park, F & C Alliance, etc.

COMPANY NEWS IN BRIEF section containing various short news items about companies like GULF RESOURCES, EDRO, HAY AND ROBERTSON, etc.

Advertisement for BANKS'S TRADITIONAL DRAUGHT BEERS, featuring a logo and text about expansion and earnings growth.

Advertisement for Ijubljanska banka, a floating rate notes issue by US\$25,000,000.

Advertisement for BROWN GOLDIE & CO. LIMITED, Development Capital for Private Companies, Management Buy-Outs.

Acquisition boosts Benzol to £3.9m

INCLUDING A recent acquisition, the British Benzol group increased its profit from £2.7m to £3.9m in the half year ended September 30, 1986.

and 5.5p (3.6p) diluted. There was an extraordinary credit of £948,000 (debit £229,000), being the net surplus on the sale of a freehold property and the excess of an insurance claim no longer required.

comment

Most of these figures could have been predicted, given that the offer document for Powerscreen showed seven months of that company's results and four months of British Benzol. The group has been transformed by the acquisition of the Irish company, which makes screening equipment for the mining, quarrying and sewage industries

REGIONAL BREWERS REPORT

W Hampton & Dudley up 21% as margins rise

A 21 PER CENT advance in pre-tax profits was achieved in the year ended September 28 1986 by Wolverhampton & Dudley Breweries, on sales 9 per cent higher. The dividend is lifted from 8.55p to 9.75p and there is to be a 1-for-1 scrip issue.

Greenall hits £35m: period of consolidation planned

BY ALICE RAWSTHORN

Greenall Whitley, the brewery and hotel group, yesterday announced a 15 per cent rise in pre-tax profits to £35.8m and a 12.5 per cent increase in turnover to £397.4m for the 1985-86 financial year.

£5.8m (£7.5m), despite the fact that one of the flagship hotels, the Grand Hotel in Brighton, was closed until August for its refurbishment after the Brighton Bomb at the Conservative Party Conference in 1984.

ings per voting share rose to 20p (18.8p) and for the "A" shares to 4p (3.8p). The board proposes to pay a dividend of 5.5p (4.9p) for voting shares and 1.1p (0.9p) for "A" shares.

comment

The City has never been entirely enamoured of Britain's biggest regional brewery. This disenchantment is reflected in the share price which has long languished at the bottom of the brewery sector.

Ault & Wiborg to sell printing inks division

Ault & Wiborg Group is to sell its printing inks division to Dainippon Ink and Chemicals of Japan for £16.25m. The disposal follows Dainippon's purchase for \$550m (£390m) of the graphic arts materials operations of Sun Chemical of the US, which holds 83.5 per cent of Ault & Wiborg.

Restmor accepts £15m BSG bid

BY CLAY HARRIS

BSG International, Britain's leading maker of children's car seats through its Britax subsidiary. Last month it bought a dominant position in the Australian market with that acquisition of Restmor Metal Products for \$9.1m. It was already an important West German producer through Romer-Britax.

expand capacity to meet strong UK demand. The takeover also reflected the increasing tendency for car safety seats to be sold in stores specialising in children's products. Mothercare, part of the Storehouse group, accounts for 80 per cent of Restmor's output.

Restmor yesterday reported pre-tax profits of £276,000 on sales of £7.81m for the six months to October 30. Existing shareholders will be entitled to an interim dividend of 1p (0.75p).

Kleinwort Benson

Kleinwort Benson Investment Trust has acquired 5.6m shares in Kleinwort Charter Investment Trust. It brings the total holding to 13.4 per cent or 10.8m shares.

BBB Design moves ahead

BBB Design Group, graphic design, specialist marketing, publishing and printing services, reported a pre-tax profit of £342,000 against £240,000 for the six months ended October 31 1986.

Jack Israel drops 19%

DIFFICULT trading left Jack L. Israel's Grocers, importer of canned fruit and vegetables with pre-tax profit down 19 per cent to £17.3m for the six months to September 30.

Beaverco lifts profits 20% halfway

HIGH RAW material costs and low demand did not prevent USM newcomer Beaverco producing a 20 per cent increase in interim profits to £437,000.

comment

Despite economic problems in its Black Country base, Wolverhampton & Dudley is still managing to increase volumes on its Banks and Hansons ales. Having a strong brand name could mean in extremely useful if any action is taken after the Monopolies Commission "fled houses" inquiry and W and D has accordingly increased its TV advertising spend.

Matthew Brown tops forecast

BY ALICE RAWSTHORN

Matthew Brown, the Blackburn-based brewer which could face the prospect of a renewed takeover bid from Scottish & Newcastle Breweries at the end of this week, yesterday unveiled a 24 per cent increase in pre-tax profits to £10.1m for the 1985/86 financial year.

renew its offer. The year comes to an end on Friday but it has given no clear indication of its intention. In its defence against the S & N bid, Matthew Brown made a profits forecast for 1985/86 of £9.7m. With pre-tax profits of £10.1m it has comfortably beaten that forecast, although it received an exceptional credit of £386,000 for the sale of the Trafalgar Hotel in Salfisbury.

In the year to September 27 Matthew Brown's turnover rose to £56.5m (£53.6m), its trading surplus to £12m (£10.3m) and trading profits to £9.5m (£8.8m). It received £495,000 (£481,000) from the sale of property and investments.

APPOINTMENTS

Top Midland Bank posts

Mr Hugh de Quervain has been appointed managing director of MIDLAND BANK equity group following the retirement of Mr John Beaver. Mr de Quervain has been a director of Midland Bank Equity Group for six years.

headed a television consultancy company. Previously he held appointments as head of production planning at Yorkshire Television (1977 to 1981) and director of operations, TVAM (1981 to 1983).

Mr N. A. Cuddeford has been appointed a director of HOWSON F. DEWITT & SONS, part of the Detik Group.

He is a senior partner of Knapp-Fishers. He is chairman of J. Jarvis & Son and a director of British Caledonian Group. He is also chairman of Pegasus Homes Cost Build.

London Metal Exchange chief

Mr John Wolff, a director of Rudolf Wolff & Co, has been elected chairman of the LONDON METAL EXCHANGE and Mr Clement Dainis, managing director of Charles Davis (Metal Brokers), has been elected vice-chairman.

Hanover Druce p.l.c.

Application has been granted by the Council of the Stock Exchange for the above Convertible Preference Shares to be admitted to the Official List.

Advertisement for Hanover Druce p.l.c. featuring a logo and text about convertible preference shares.

Mr J. Graham Barclay and Mr A. Charles Clapperton have been appointed directors of MURRAY JOHNSTONE, Glasgow. Mr Barclay is financial accountant and Mr Clapperton is the company secretary.

PATRICK (UK), subsidiary of French sportswear manufacturer Patrick SA, has made three appointments to the board: Mr T. P. Fevey becoming managing director; Mr M. Campbell has been promoted to sales director; and Mr P. Reed, international operations director of Patrick SA, joins the board as the representative of the parent company.

Mr Geoffrey Smith has been appointed director of television operations: MERON GROUP NEWSPAPERS. Until taking up his new appointment Mr Smith

L.G. INDEX FT for December 1,277,123 (+5) Tel: 01-625 5689

Advertisement for JESSUPS featuring a 5-year dividend record table and contact information.

Advertisement for BANQUE EXTÉRIEURE D'ALGÉRIE featuring a logo and financial details.

Advertisement for STATE BANK OF SOUTH AUSTRALIA featuring a logo and financial details.

FINANCIAL TIMES SURVEY

Tuesday, December 9 1986

Science Parks

Increasing interest in the UK and many other countries is resulting in more of these modern sites. They may still have something to learn, however, from their American models.

Building forges ahead

FOR THE science parks movement 1986 has also been the year of the big bang. From Strling to Southampton the number of high-technology centres associated with universities has gone up by a quarter and the number of tenants of the parks by a third.

There are now 28 managed science parks associated with colleges of higher education in the UK, most of them universities, with Bangor in North Wales, Queen's University Belfast, Bolton Institute of Higher Education, Birmingham, Brunel, Kent, Stirling and Swansea entering the rolls this year.

Another seven colleges—Aberdeen, a second centre in Cambridge, Cardiff, Keele, London's Imperial College, Sheffield and Sunderland Polytechnic—are in the course of constructing parks, with Keele on the point of opening its gates and three more expected next year.

On top of this, plans at varying stages of completion are being discussed at Essex, Portsmouth Polytechnic, St Bartholomew's Hospital in London, and Reading.

The explosion of interest in the parks themselves has been even more dramatic. Twelve months ago there were 288 tenants on the parks; by the end of last month that figure had shot up to 412.

And the amount of buildings in the course of construction is also forging ahead. The 206,000 sq ft of space being built adds to the 1,38m sq ft in existence, according to Mr Charles Monck, English Estates' business support manager.

"That represents a rise of 39 per cent on last year, bringing the total industrial and commercial floor space to well over 2m sq ft. It is a very healthy explosion."

In mainland Europe, there has been considerable activity in the past five years. Some 35 centres have been set up or are in the course of being built in West Germany, with firm proposals for another 40. More than 300 companies are on the parks, with West Berlin's Berliner Innovations and Grandzentrum having quickly established an enviable high reputation.

The numbers in France do not match Germany though the movement is well established. Three technopoles (technology parks) were in existence before 1980 and they have been joined by at least another dozen, while the French would like to develop the whole of their southern coast into a version of California's Silicon Valley.

Belgium was also early into the field and had by the end of last year opened or planned to open about ten parks. The Dutch have been rather more cautious, having just two, though others exist from Scandinavia to Greece, with the Italians being keen proponents, especially in the deprived Mezzogiorno.

The surge has been reflected elsewhere. The idea has caught on in Australia and the Japanese have become increasingly interested.

Mrs Hilary Summan, of the Currie and Summan Partnership, who has undertaken detailed research work on science parks in Europe, says: "There are many different shades to this type of development in Europe."

The phenomenon has grown almost explosively in the past five years developing from a common awareness throughout Europe of the final decline of the old European resource-based industries, changing manufacturing terms of trade with the oil-price shifts of the late 1970s and the increasing importance of new technology, and knowledge-based industry."

In 1980, she claims, there were just 10 science parks in Europe with about 400 establishments on them. By the end of last year these numbers had leapt to 47 and 890 respectively. "All countries shared in the growth but the outburst has been most dramatic in West Germany."

This is still a long way short of the United States experience where science parks began. The story is now fairly common knowledge. In the early 1950s the University of Stanford in California wanted to develop some land at Palo Alto and hit the idea that if it were undertaken to high environmental standards, with a low density of buildings to land area, it could be particularly attractive to the new industries then emerging.

Two of the early tenants were a Mr Hewlett and a Mr Packard, who formed Hewlett-Packard, and the first of the great names to emerge from

American science parks was born. It was not the only one: both Wang and Polaroid developed on these parks, of which there are now more than 80 in the US.

In the UK, the initiative was taken up a decade later when the then Mr Harold Wilson's government wrote to universities seeking their help to create high-technology centres capable of bringing in the electronic revolution.

The response was most immediate in Cambridge, and is always associated with Prof Nevill Martin, then occupying the Cavendish chair of experimental physics, and at Heriot-Watt University in Scotland.

The early British approach was more on American lines than subsequent developments in Europe, though eventually British policy has evolved more closely to that on the Continent.

The first British parks were inspired and funded by private organisations, while in Europe there was much more central and regional inspiration, especially in Germany and France.

Eventually, though, as the 1970s turned into the 1980s and British universities were placed under increasingly severe financial constraints, the second wave of science parks came to be increasingly funded by public bodies. This has moved to the point where Peat, Marwick, Mitchell, the accountants, estimate that per cent of the capital involved has now come from public sources.

The Scottish Development Agency was among those early on to see the attractions of science parks, followed at a distance by the Welsh Development Agency and English Estates, the government's housing agency for the English assisted regions.

Subsequently, local authorities became closely involved. Birmingham is associated, for instance, with the parks at both its universities. Bradford is connected with the Listerhills development at Bradford University and Leicestershire county council is involved with Loughborough University's technology centre.

Of the 35 parks in existence or soon to be completed only

eight—the two in Cambridge operated by Trinity College and St John's College, Brunel, East Anglia, Heriot-Watt, Surrey, the Merseyside Innovation Centre and London's South Bank Technopark—now have local authority involvement.

By comparison, very few public companies have been associated with the parks, nor have the financial institutions been widely associated. The only major companies with links to the parks are the banks: Barclay's Bank at Warwick, Lloyds Bank at Aston, the Prudential at London's South Bank, Poly, and Ciba, Geigy, Ferranti, Pothegill and Harvey and Granada Television at Manchester.

A survey by Peat Marwick for the UK Science Parks Association has shown that most of the concerns on the parks are small and were set up with private money. The long-held view that the way into business for a budding entrepreneur is by mortgaging the family home appears to have little basis among people starting science park enterprises.

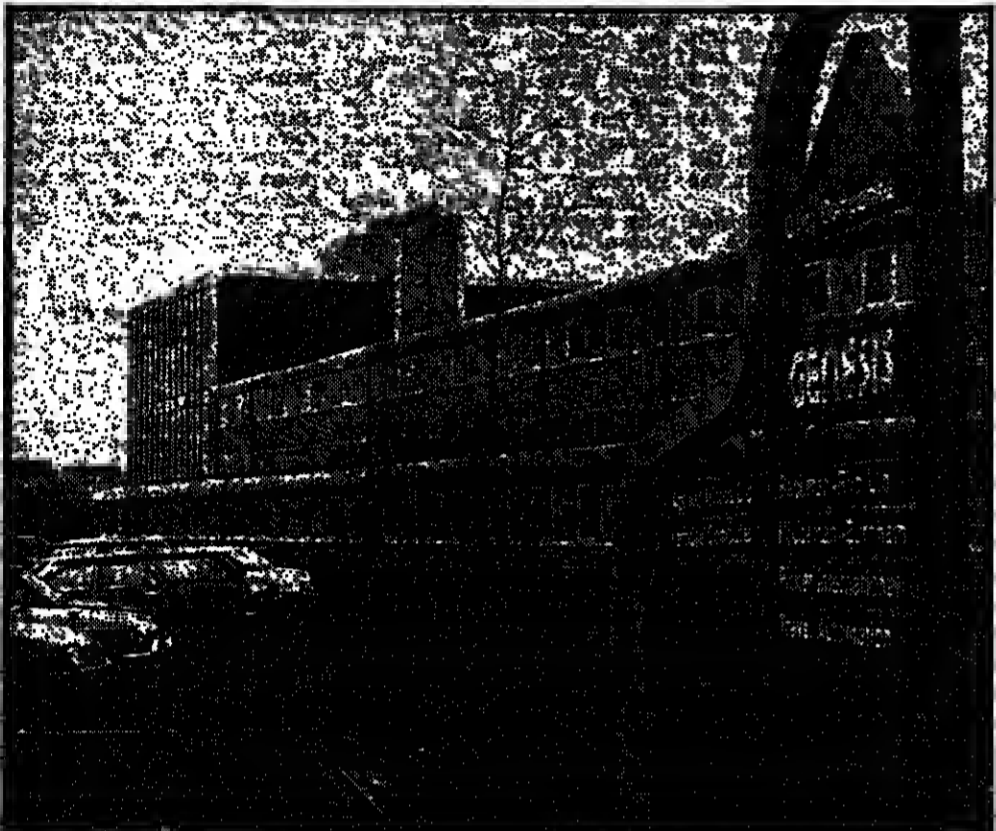
Most of the initial capital came from private resources with bank overdrafts or loans a poor second. There was little venture capital money and the business expansion scheme hardly featured.

The survey was conducted among 149 companies on the parks and, for comparison, 80 in other locations. It showed that a quarter of those setting up in parks had moved from an associated university environment. Few of the entrepreneurs (7 per cent) were under 30—and few (12 per cent) were over 56. But almost without exception they were men.

About 85 per cent of the entrepreneurs had some form of higher education with over half that number having a first degree and a considerable proportion a higher degree. Among the non-science park companies the proportion of managers with degree was lower, but not significantly so.

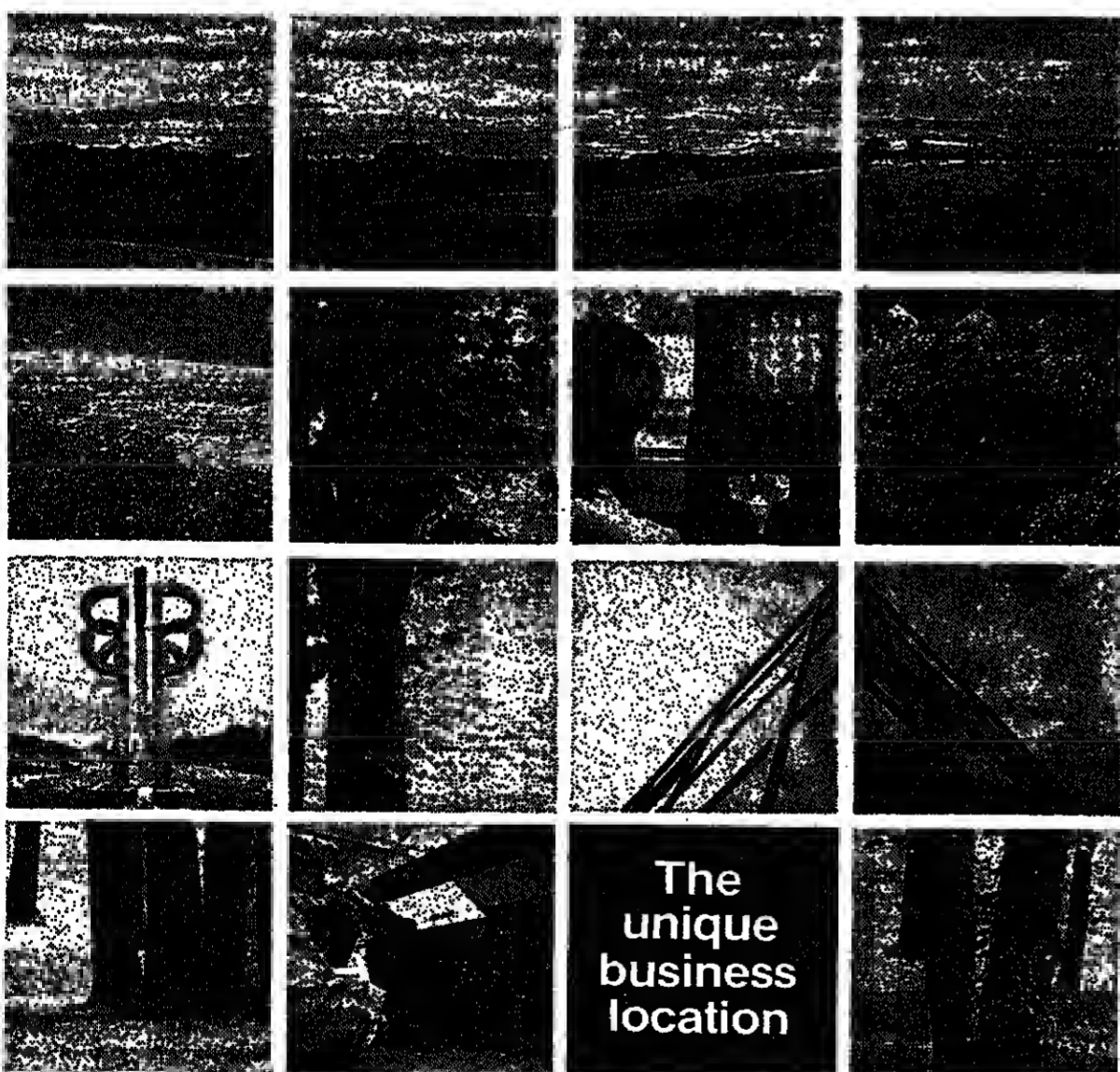
Three-quarters of the companies on the science parks had some form of contact with their associated universities and a

CONTINUED ON PAGE 2



Top: Electronics work at Highfields Science Park, Nottingham. Below: Nameplates at the Birchwood park, Warrington

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Tel: 01-630-5304

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COAL
enterprise

Several recent additions to the number of university-associated British parks show that the concept is expanding.

Britain's science parks

University	Name	Contact	Partners with university	Open	Area (acres)	Buildings completed (sq ft)	Buildings under construction (sq ft)	No. on park	University	Name	Contact	Partners with university	Open	Area (acres)	Buildings completed (sq ft)	Buildings under construction (sq ft)	No. on park
ABERYSTWYTH	Aberystwyth Sc Pk	Conrad Jenkins 0970 615779	Mid Wales Development	Feb '85	6	12,000	10,000	6	NEWTECH	Newtech	Dr John Allen 0244 822381	Glydd CC Welsh Development Agency	Dec '85	7	66,000	—	6
ASTON	Aston Sc Pk	Harry Nicholls Barbara Richards 021 259 0981	City of Birmingham Lloyds Bank	1982	22	121,500	27,000	42	NOTTINGHAM	Highfields Sc Pk	John Webb 0602 506101 Tony Edwards 0602 418551	Nottingham City C.	Dec '84	18	21,000	15,000	14
BELFAST	Antrim Tech Pk	George Dillon 0286 3655	Industrial Development Board for Nthn Ireland	Nov '86	74	14,000	27,000	2	SOUTHAMPTON	Chilworth Research Centre	John Stuart-Bottle 0703 767420 Prof John Large 0703 589122	Southampton Economic Development Corporation	1984	26	46,000	30,000	15
BANGOR	—	Dafydd Jones 0248 354103	Gwynedd CC Arfon BC	July '86	—	5,425	—	—	SURREY	Surrey Research Park	Dr Malcolm Parry 0483 579693	—	1984	70	190,000	140,000	10
BIRMINGHAM	University of Birmingham Research Park	Dr Derek Burr 021 471 4977	Birmingham City	April '86	12	32,000	—	9	ST ANDREWS	St Andrews Centre	Marian Sherwood 0334 76181 Dr M. Shepherd 0334 76181	Scottish Development Agency	Dec '84	0.74	13,000	—	2
BOLTON	Technology Exchange	David Bromley 0294 861708	English Estates Bolton BC	April '86	2.5	25,000	—	10	STIRLING	Stirling University Innovation Park	Ross Clark 0786 70080	Scottish Developmt Agency Central Regional Council Scottish Metropolitan	June '86	14	13,000	—	5
BRADFORD	Listerhills	Lawrence West 0274 733466 Phil Wilbourn 0302 66865	English Estates Bradford City	March '83	11.75	64,700	28,074	26	SWANSEA	Swansea Innovation Centre	Sidney Brailford 0792 295556	Welsh Development Agency	July '86	3.4	20,000	—	6
BRUNEL	Brunel University Sc Pk	Peter Russell 0895 72182	—	June '86	6.4	46,000	—	8	WARWICK	University of Warwick Sc Pk	David Rowe 0293 418535	Covenry City C. W. Midlands Enterprise Board Warwickshire CC	Feb '84	24	124,000	60,000	35
CAMBRIDGE	Cambridge Sc Pk	John Tweedie 0223 841841	Trinity College	1972	130	630,000	59,000	68						590	1,89m	498,574	412
DURHAM	Mountjoy Research Centre	David Rhodes 0642 769911 Dr Eric Howells 0235 84971	English Estates	Oct '85	2.7	36,272	—	5									
EAST ANGLIA	University of East Anglia Sc Pk	Philip Lunnigan 0203 35161	—	Feb '84	12	10,000	—	3									
GLASGOW/STRAITHCLYDE	West of Scotland Sc Pk	Aislinn McNicoll 041 946 7161	Scottish Development Agency	Sept '83	61.5	43,200	33,000	15									
HERIOT-WATT	Heriot-Watt University Research Park	Ian Dalton 031 445 5111	—	1972	56	270,000	20,000	23									
HULL	Newlands Centre	Phil Wilbourn 0302 66865 David Geekie 0482 48311	English Estates Hull City C.	Dec '84	3.0	25,000	13,500	12									
KENT	Kent Research and Development Centre	Bernard Watts 0227 66822	Kent CC Canterbury City C.	Feb '86	10	12,000	12,000	2									
LIVERPOOL	Merseyside Innovation Centre	Arthur Himmer 051 708 0123	Liverpool Polytechnic	1982	2	15,000	—	12									
LOUGHBOROUGH	Loughborough Technology Centre	Roger Say 0533 87131 Loughborough Council 0509 230426	Leicestershire CC	April '84	3	22,000	—	17									
LONDON/SOUTH BANK	South Bank Technopark	Jeff Jeffers 01-828 2990	Prudential Assurance	April '85	1.7	50,000	25,000	36									
LEEDS	Springfield House	Phil Wilbourn 0302 66865	English Estates	June '83	1.96	22,200	—	11									
MANCHESTER	Manchester Sc Pk	Dr Tom Broadbent 061 226 1000	Manchester City C. Ciba Geigy Ferranti Fothergill and Harvey Granada TV	Dec '84	15.5	24,000	—	11									

UNDER CONSTRUCTION																	
ABERDEEN	Aberdeen Se and Research Pk	Philip Miller 0224 641791	SDA Grampian RC Rbt Gordon Inst of Tech	June '87	60	—	12,000	—									
CAMBRIDGE	St John's Innovation Centre	Chris Johnson 0223 338627	St John's College	July '87	—	—	37,000	—									
CARDIFF	Cardiff Technical Centre	Jeff Andrews 0223 499022	South Glamorgan CC	Nov '87	1.5	—	18,000	—									
KEELE	Keele University Sc Pk	Dr David Cohen 0783 621111	Newcastle under Lyme BC Staffordshire CC	Dec '86	15	—	20,000	4									
SALFORD	Salford University Business Park	Tony Wilby 051 333 2050 Geoff Mortimer 061 736 8921	English Estates Salford City	Jan '88	5	—	41,000	—									
SHEFFIELD	Sheffield Sc Pk	Bridget Pemberton 0742 766756 Dr Jack Hobbs 0742 20911	Sheffield City C.	Jan '88	5	—	33,000	—									
SUNDERLAND	Burn Park Tech Centre	Phil Calvert 091 487 4711	English Estates Sunderland BC Sunderland Polytechnic	Dec '87	2	—	20,000	—									
Total														107.5	214,940		

† Part of Deeside Industrial Park.
 A number of science parks are at the initial planning stage. These are to be built at: Aberdeen, Essex, Portsmouth Polytechnic, Imperial College London, Oxford, Reading and St Bartholomew's Hospital London.
 Source: UK Science Parks Association

Tenants hard to find

Profile: St Andrews

ST ANDREWS, whose single building covers 12,000 sq ft, is one of the smallest science parks in the UK.

Although the University of East Anglia's park is actually 2,000 sq ft smaller, it sits in 12 acres of space. St Andrews, like Leeds Springfield House, is a single building and occupies less than one acre.

There are other parks about the same size as St Andrews, such as Aberystwyth's Cofn Llan park and Kent's Research and Development Centre, though each of these is developing other buildings.

Stirling University's Innovation Park and Liverpool's Merseyside Innovation Centre are marginally larger. St Andrews' size record will be short lived, though. When Bangor, in North Wales, opens its park next year it will be half the size.

St Andrews has also had great difficulty in attracting tenants, which proves that a science park is not necessarily the answer to every university's prayer. In its two-year existence it has attracted two tenants, one of them only this autumn.

Stirling can beat that, having yet to secure its first tenant, but it opened only in June. There are other parks with relatively few tenants, such as Aberystwyth, Durham, East Anglia, Kent and Swansea, but St Andrews admits that so far the response has been "disappointing".

The centre itself has 12 units covering from 500 sq ft upwards. Unlike Warwick, it does not offer central services. It would be happy to let space to a company prepared to do so, though such a concern would probably not be willing to come until there were more tenants.

St Andrews is asking what the

SDA describes as "exceptional value" rents. Space is available at £240 a square foot and although the centre was initially marketed with five-year leases the SDA is now talking about three years and might even consider a shorter period.

With attractive rents and the Old Course only a No 1 from away, St Andrews seems to have more in its favour than industry appreciates.

Anthony Moreton

Building forging ahead

CONTINUED FROM PAGE 1

third employed academics on a part-time or consultancy basis.

The survey, which is to be published by Peat Marwick, according to Mr Richard Porter, that the companies were strongly locally based but that they saw their markets as national and international.

"They are far from being local firms. High tech is a national business and their participants see themselves in this national-international market.

"The companies see themselves as being strong on performance and reliability and producing or providing a unique product. But they also admit they are weak on promotion and marketing and on distribution channels. Too many of them feel they have to rely heavily on agents to sell their products."

American experience is that small entrepreneurs can grow big, sometimes very big, like Hewlett-Packard. That experience is more likely to be emulated in the rest of Europe than in the UK because there is a strong feeling among those who run British parks that they should be centres of technology transfer rather than mass production.

The early days of a Hewlett-Packard or a Wang would no doubt be viewed with great joy by any British park; later growth almost certainly would not. Managers of British parks would prefer their companies to move to other sites when they grow big.

This approach is far less prevalent in the rest of Europe. There, a go-for-growth mentality appears to be acceptable, even desirable.



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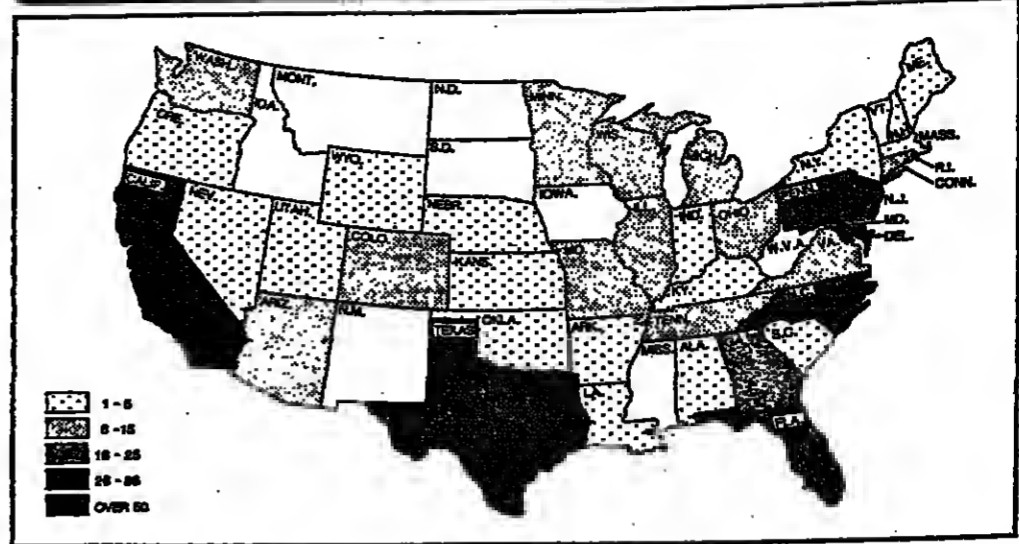
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Science Parks 3

The US

Well-defined aims and management

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IT IS DIFFICULT to establish how many science or high technology parks exist in the United States. Such projects may be described as a science park, research park, industrial research park, science or technology centre, or even an office park.

Often a concept which starts as a "science" park may subsequently accept light manufacturing, business services or offices. But much activity exists in true science or research parks dominated by research, engineering, prototype development and specific office or administrative activities.

Probably fewer than 200 free-standing research and development centres (science parks) exist in the US whereas the more common high technology park is a quality development allowing a wider range of activities including some production. Well-established successful examples are Stanford Research Park, Research Triangle, and projects on Route 128 in the Boston area.

Patterns of employment tend to identify such parks. Research activities, development and administration related to research may account for 25 to 35 per cent of all jobs. However light manufacturing and high technology production typically accounts for 35 to 55 per cent of all jobs.

The remainder, often over one-third of jobs in a high technology setting, are diverse with office and administration predominant. One of the most successful high technology parks accepts laboratories, offices, prototypes, research-related production, shops, banks, post offices and similar establishments.

Activities in a number of projects have been extended to include "common areas" for these include auditorium and meeting spaces, food service, office support, shared computer, reprographic

facilities, and starter office space.

After their origins in the late 1940s—for example Menlo Park, California, in 1948—research parks gained momentum through the 1960s with 50 projects and a further 25 to 30 in the early 1970s.

Of the 81 research parks surveyed by Industrial Research Magazine in 1971, 27 were restricted to research and the rest were industrial parks with the emphasis on scientific activities.

With renewed expansion in the last few years well over 150 quality science and high-technology projects have been identified. A number result from name changes by technological orientation of office/industrial parks (often purely a marketing device), reflecting the fact that many growth industries have site and structure requirements (and image consciousness) best satisfied by high-quality locations with a high tech (often campus) theme.

Such a development for high-tech activities is no longer a unique factor but represents a basic standard being demanded and supplied throughout the US. The availability of such settings for high-tech activities emphasises that "starter" and "incubator" spaces and services are more important here than in any other aspect of site development.

A review of successful research parks provides a lesson from history. The best known are relatively old and this reflects the long "lead time" for such projects. However, given the changed socio-economic, political and international conditions from the era of the original parks more than three decades ago, developers who simply try to replicate these early successes are most likely to be disappointed.

Most modern projects tend to be in or near suburbs and are highly land intensive. Median size may be about 200 acres but large-scale developments include Steeling Forensics New York with more than

30,000 acres, Research Triangle Park 5,000 acres, Huntsville Research Park over 2,000 acres, and University Research Park in Charlotte, North Carolina with almost 1,400 acres.

Recently, smaller scale successful developments have emerged as "innovation centres" or urban research complexes. These are often "vertical" research centres which in addition to providing space for evolving high-tech companies usually in the administration or research area, also offer a wide range of services such as computer and library facilities, report reproduction and personnel.

Descriptions of criteria for high-technology locations focus on the "park" concept where projects emphasise campus settings, aesthetics and green space.

The most successful projects have the common characteristic of strictly-applied comprehensive covenants for both new and existing tenants. This is to achieve and maintain a high quality setting with rules

governing permitted activities, building design, land use and density, traffic, landscaping and so on.

Such parks have very tight professional management structures, often with a clearly defined authority, full-time director and staff, development review committee and association of tenants. Such projects, parks of Advanced Performance Standard, reflect high-quality development in prime locations and command average land prices of over \$100,000 per acre, compared to only \$37,000 for less restrictive Moderate Performance Standard Parks.

Where restricted to "research and development," average prices for such parks rise to over \$110,000 per acre compared to \$108,000 for office use, and \$50,000 for light manufacturing.

Further criteria for success include the essential ingredient of participation of a university or research institution which has strong engineering, science and maths programmes and research. Without a strong relationship between academia and industry the high technology park typically demonstrates a propensity to fail or shift to mixed use status.

Attitudes of university authorities may be crucial. Many world-class universities across the US have not led on to development of research parks or significant spin-off activities. It has become obvious that those universities or technical institutions which are especially supportive in their desire to work for a successful project and have requisite academic programmes, may have more potential than the "great" or well known universities.

In many cases high technology parks grow "in situ" through spin-off companies in research or consultancy, or production organisations involved with innovative products or processes. The growth potential associated with "spin-off" can involve a "chain reaction" where a rapid succession of businesses follow the first.

The availability of a wide range of incentives and supporting services is typically a prerequisite for success. These include financial programmes for seed money, venture capital, business development corporations, low-cost incubator space with shared equipment, research contracts, and local Chambers and development organisations providing technology and business planning support.

The role of the university should not be seen as "icing on the cake" as probably 80 per cent of the most successful high technology parks have a very well-structured functional tie to local education activities.

Support of organisations from the state or local community is often necessary to co-ordinate successful projects for newer centres and incubator facilities. One such project is the Advanced Technology Development Center (ATDC) on the Georgia Tech Campus in Atlanta. This offers access to venture capitalists as well as to Georgia Tech facilities and is primed by a \$50m research and engineering budget.

Integration of industry and

academia is seen in a new initiative at the University of Utah's 320-acre Research Park founded in 1978. The park is the intermountain Research and Development Centre of "Bionic Leadership." The nucleus comprises leading edge technology companies in advanced computer design, bio-technology, new geoscience, and academic research science. An "in-situ" park development is Utah Innovation Center Inc. which aims to transfer technology from research stages to successful commercial stages and joins with the application and joins with the entrepreneur to become a full business partner.

The centre has a network of resources and contracts with inputs that involve a business plan, office and laboratory space, management and technology aid, and favourable finance for a young company. Small organisations in the scheme include biomedical, computer peripheral, and telecommunications businesses.

As a major leading edge sector, micro-computer companies offer a portent for future patterns of location by high technology. The most notable concentration is in the Pacific region where over one third of micro-computer companies are located.

Elsewhere, four of the southern tier of New England states (New Hampshire, Massachusetts, Vermont and Connecticut) are prominent in micro-computer locations. Among computer-dominated metropolitan areas with a high per capita ratio of micro-computer companies are Ann Arbor—Michigan; Madison—Wisconsin; Austin—Texas; Raleigh/Durham—North Carolina; and Champaign—Illinois.

Research centres with high levels of micro computer companies are Melbourne, Florida (Cape Kennedy Space Center), Santa Barbara, California (Rand Corporation), and Nashua, New Hampshire (Digital Equipment Corporation).

The dominant locations of high-technology industry may be related to six principal factors: intellectual base, nucleus for scientific activity, accessibility, aesthetic appeal, ("quality of life"), supporting services and sites. Suburban metropolitan locations have developed to form "mega-tech corridors" with clusters of business and technology parks oriented to R & D.

The best-known corridor is the long-established but still growing Silicon Valley, which extends in a crescent-shaped area from Palo Alto to Milpitas at the southern end of San Francisco Bay. Elsewhere one of the emerging multipark developments is the Tennessee Technology Corridor, planned to sprawl over 16 counties in the Knoxville-Oak Ridge region.

In an era of increased competition and specialisation, the old axiom for developers of successful high-tech parks: "location—location—location" needs to be restated as "location—market research—development—marketing—management financing!" It is the need for a complete package based on these principles which can determine the successful research park projects. This provides the most obvious lesson from experiences in the US.

Raymond Towse
Dr Towse is Senior Lecturer in Geography at Kingston Polytechnic and a researcher in industrial development in the US.

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Japan

Seeking the cutting edge

THERE ARE no science parks in Japan though plans were submitted to the government for the first one earlier this year. Currently what exists are technopolis, similar in concept inasmuch as they are a mixture of industry and academia, co-operating in R&D. And Tsukuba Science City, built in the 1960s.

Tsukuba, where manufacturing is banned, is made up of two universities and 40 or so government research and educational institutes. It has only seven private institutes—ICI is planning to number eight when it builds its research centre.

Tsukuba's raison d'être is pure research and education, not R&D for commercial exploitation—commercial R&D and pure science are two separate things in Japan. Traditionally Japanese industry has been at the forefront of R&D, with the universities supplying people to the companies' research centres rather than ideas.

Technopolis is a relatively new concept born in Japan as government participation is concerned. In 1980, the hope is that it will be at the cutting edge in creating the new technologies. But in reality, critics say, technopolis is an elaborate creation of ideas in favour of the high-tech industries.

However, it is an attempt by the Japanese government to create new industries and technologies before its traditional industrial base is entirely eroded—thereby forestalling the sort of industrial decline experienced in Britain.

Even as the Research Institute on the National Economy (Rine)—Japan's biggest private economic research organisation—says, the technopolis project will have no effect on the Japanese economy as a whole, regional economies in which technopolis exist will benefit. At the very least, for those employed there, it will be better than doing nothing.

There are 18 technopolis partially in existence, overseen by the ubiquitous Ministry of International Trade and Industry (MITI). It is hoped that these centres will continue to expand well into the 1990s. Significantly the programme is controlled by MITI's Industrial Relocation Division, and not the Science Division.

Funding comes from local government and industry—the co-existence of which is called the third sector. Companies are induced by tax breaks and cheap loans but one of the problems technopolis face in fulfilling their technological promise is that people do not wish to live far from the major metropolitan areas.

In an effort to deal with this problem, all technopolis are built adjacent to a "mother city" of 200,000 or more, so that they have the convenience and amenities of a modern city.

MITI says they should be located close to an airport or a major railway station to enable round trips to Tokyo,

Osaka or Nagoya to be completed within one day. It also provides all the services with graduates from the country's best universities who wish to return to their hometowns.

A day's commuting distance to Japan's major cities effectively limits the technopolis to rural areas. The northernmost province of Hokkaido, which is suffering the brunt of Japan's growing unemployment, has only one project.

Centralised planning of regional development projects is not new. Previous regional industrialisation programmes were built around the heavy industries such as steel, non-ferrous metals, oil refineries, and chemical plants.

MITI has identified the following industries as those most likely to grow between now and the 1990s: aircraft, space, optics, biotechnology, medical electronics, industrial robots, integrated circuits, computers, word processors, new metal-based materials, ceramics, medicines and medical supplies, high-tech industrial machinery and software.

It estimates that demand for microchips and industrial robots is likely to grow between four and sixfold.

Rine questions whether the new technopolis will be able to attract good enough R&D personnel to create the new technology. Rine says that only three of the projects have good enough operations which are capable of developing new technology: Kumamoto in Kyushu, Hamamatsu in Kanto, and Utsunomiya also in Kanto. The last two are only a couple of hundred miles from Tokyo.

Kumamoto technopolis is made up of city, three towns and two villages. Its industrial complex consists of biotechnology, computers, and information systems. Its R&D is focused around electronics.

Hamamatsu has one city and two towns, with its industrial base consisting of the following industries: photographic, mechatronics, information, communication and home entertainment. Its R&D operation has a photo-information technology integrated research centre, electronics centre and a medical research centre.

Utsunomiya is also a one city, two town project. Its industrial complex is based on mechatronics, electronics and chemicals. And its research will concentrate on mechatronics.

The Tokyo-Yokohama, Nagoya, and Osaka-Kobe metropolitan areas sprawl into each other. Although they account for only 5.3 per cent of Japan's land area, a third of its 121m population lives in these regions—with almost 40 per cent of all the factories.

The simple fact that there is no industrial room in Japan's most populous (and popular) regions will force people to look to other areas.

The government says it is keen to steer foreign companies in the direction of technopolis.

And when Texas Instruments set up in Oita, Kyushu, the government followed it and set up a technopolis.

The Japan Development Bank says it is anxious to lend construction money to foreign companies wishing to build factories in technopolis. Certainly the government sees the foreign companies' presence within them as a way of killing the proverbial two birds: opening the Japanese market to foreign companies, and at the same time attracting the sort of industry it wants where it wants it.

And perhaps creating the sort of technology it will need in the 21st century.

Lisa Martineau
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Europe

Rapid growth and different views

WITHIN continental Europe science parks are largely a child of the 1980s. Some, such as France's big complex at Valbonne-Sophia Antipolis, were in existence well before then but there has been a big surge in activity in the last few years.

For instance, the first Nordie park, Oulu Technology Park in Finland, opened its doors only last year.

Growth in the last few years has been rapid. France was early into the field and had three major techparks, or technology parks, in the second half of the 1970s; it now claims to have at least 13.

A rash of openings has taken place in West Germany, with the famous West Berlin innovation centre Berliner Innovations- und Grunderzentrum (BIG) and its next-door neighbour Technologie- und Industriepark (TIP), in the van. Over the past five years the Germans have opened about 20 parks, but more than a dozen others which are being planned and there are proposals for at least 35 others.

Nor does the list stop there. Belgium, also early into the field, has eight parks and plans for two others. The Netherlands has been relatively slow to develop parks, having only three but Italy is pressing on with a number of parks, hoping to bring high-technology companies and jobs to areas which are economically depressed.

especially in the south. Greece is also well into the movement. The thing behind science parks is different in each country and few have the same concept of technology transfer allied to university research that exists in the UK.

Many of the parks have grown very quickly and now claim large numbers working on them—at Sophia Antipolis there are said to be about 5,000 people employed, while Berlin's BIG has acquired over 30 companies (about half the number at Cambridge) and is now full. Some outside observers have doubts on how many of the claimed 5,000 people are actually working on technology transfer at Sophia Antipolis.

Within the rest of Europe there has been much more Government input than in the UK, where apart from the early stimulation and encouragement of (the then) Mr Harold Wilson's Labour administration in the late 1960s, there has been relatively little official support.

According to Mrs Hilary Summan, of the Currie-Summan Partnership, in Cardiff, who has made a study of science parks, the private sector has played a relatively minor role in Germany while the government has played an important one.

The role of government in initiating science parks has been crucial. The development of technology-based firms is a central part of federal and regional government economic strategy and very much influenced by government actions.

She finds central intervention elsewhere, too. "Financing of infrastructure for French techparks has been almost entirely through the public sector. Although in some places there was initial interest in a techparks from local research or higher education establishments, the initiative has always been picked up by local authorities with the support of central government."

Elsewhere, the story is similar. In the Netherlands Mrs Summan found "recent growth of interest in science parks evolved partly from central government's increasing interest in regional planning."

And in Belgium "most of the science/research parks area developed through the local authority, usually the local regional development corporation."

The German interest in science parks has undoubtedly stemmed from a realisation that science parks usually lagged seriously behind both the US and Japan in the field of technological innovation. Japanese work in, for instance, watches (based to a large degree on British quartz technology) or American on semi-conductors, led left the Germans feeling that their strong engineering

tradition and reputation was no longer sufficient in itself.

The French had a more regional approach to new technology. They wanted to develop much of the southern coast-line of France into a technological home for 21st-century industries—a Sillon Valley from Toulouse to the Italian border.

Similar differences exist elsewhere. Belgium has consciously sought to attract research-oriented companies to its parks whereas the Dutch have sought local initiatives.

While Belgium can now boast incoming companies such as Digital, Honeywell, Wang, IBM and Monsanto from the US, West Germany's Nixdorf and Japan's Terumo and Yamazaki, the Dutch, Mrs Summan says, have sought to develop the commercially exploitable activities of the universities.

Whereas the parks in Belgium support over 6,000 jobs there are probably no more than 750 in Holland. The average size of a Belgian factory is about 70 employees and much larger in the blue-chip multinationals that in Holland is around 10.

Belgium can claim with some justification to have been ahead of the game in recognising the need for science parks. By the middle 1970s it had four—Ever-Brussels, Leuven-Aarode, Liege and Louvain.

However, only the latter is really deeply involved with tech-



South Bank Technopark: putting in the fourth ingredient—property management

Property

Conflict of interest on rents

PROPERTY may be a secondary consideration in the world of ideas. But promoters of a science park, technology transfer or innovation centre have to come to terms with the cost of land, buildings and maintenance.

Frank Eul, partner in charge of development consultancy at

Debenham Tewson and Chillocks, says that debt charges arising from the capital cost of a building, or series of buildings, may be as great, if not greater, than the cost of rent.

In February 1988, when he put these considerations to an international conference on science parks and technology transfer centres in Europe, at the University of West Berlin, he said that finance for science parks would not come from property investing institutions, and that existing private sector sources might well dry up.

He saw an inherent incompatibility between the landlord and the occupier looking to minimise occupation costs. His alternatives included the public sector and political initiatives; and his ideas have not changed a lot in the period since then.

"Money is not coming and is still not likely to come from conventional sources," he says now.

Barclays Bank has financed the Warwick Technology Centre, and Prudential Assurance the South Bank Technopark in London's Elephant and Castle district. "But it is fair to say," Mr Eul maintains, "that these two are not providing normal investment returns."

What has changed for him, since early 1985, is the direction of the argument. People

then saw their scientists turned businessmen in idyllic campus settings. That territory, or the best of it, is being gobbled up by high value business park developments which, he says, are designed for the established company which is in mass production.

Science parks are for small companies engaged in product research and prototype development, should be close to an institution of academic excellence and should provide practical help such as advice on accounts, patenting, how to set up a company.

This need has been affected, he says, by practical experience in Enterprise Zone development, and will continue to be affected by initiatives which bring public and private capital together in urban regeneration.

The prototype for this idea is clearly the South Bank Technopark which has a chief executive, in Mr Jeffrey Jeffers, who focuses deliberately on the practicalities of property development and management.

SBT has a 15-year management contract with the owners, Prudential Portfolio Managers, and a 15-year technology agreement with the South Bank Polytechnic next door which provides main frame computer and test facilities... "or a bit of R & D if we want it done."

Inner London, he says, has good research, a high level of graduate output and plenty of money. "Our job is to put in the fourth ingredient—real estate—and manage it."

SBT is not romantic about its role. It wants companies which have technology which is close to being ready for market, certainly near to prototype and have a business plan which involves putting product on market from the Technopark. Companies come in on a monthly licence and will be allowed to stay no longer than three years.

"We have 21 applicants for every space we let," Mr Jeffers says.

SBT, a non-profit making company, believes that London has the capacity to regenerate itself through new technology industries in the way that Boston and Philadelphia have done in the US.

It would like to see another six technoparks in Inner London. To that end, and through a local enterprise agency called Science City, it plans a conference in July 1987 called "Technology and the Future of the City."

Meanwhile, it operates an intensive management system at the South Bank park. "We're very hands on," Mr Jeffers says. "You've got to manage a building which is let on monthly licences."

The "Pru" says that it invested £41m in the first phase and that the second is expected to cost about £11m. Development surveyor Mr Richard Gay says that returns are going to improve considerably between phases 1 and 2, but will not be drawn on market speculation that the institution is currently taking a 7½ per cent return on its money.

However, the largest real estate and manufacturing industry investor in the UK, and one of the largest in the technology industries, "Pru" may well have seen the Technopark investment as part of a necessary learning process.

Science parks have been fashionable for the past five years as an avenue for the socially-conscious investor. They may be overtaken in the next couple of years by inner city regeneration. If so, the Technopark will have killed two birds with one stone.

It will not have made the return on capital that its location and use would indicate. But there are observers who question whether it was designed to do so. The building, they say, is built to office standards, which would have given the "Pru" an alternative use if the science park had failed.

It is also let at £12.80 to £13.50 a sq ft. Mr Jeffers, perhaps looking ahead, says that he has seen cheaper buildings north of the City letting at £22 to £24 a sq ft.

He says, once again, that his organisation sees no major problem in building, or letting inner city science parks around Central London. The problem will be in finding an ultimate owner who will assume the equity risk, and the management obligation.

Frank Eul thinks the public sector could help: with money, or by encouraging developers to build innovation centres as a quid pro quo for planning consent on major commercial projects. The trick will be to get local politicians to think along these lines; in the past they have plumped for libraries, swimming pools, or leisure centres.

Science City is at the South Bank Technopark, 90 London Road, London SE1 6LN. Tel: 01-928 2900.

William Cochrane

CAMBRIDGE SCIENCE PARK



Based on 500 years' experience

For several centuries Trinity College, Cambridge, has provided the environment for illustrious scientists—Newton, Clerk-Maxwell, Rayleigh, Rutherford and many more. That tradition has been carried forward into the Cambridge Science Park—conceived and run by Trinity on a site owned by it or its predecessor college for over 500 years.

The new scientific innovators at the Cambridge Science Park are pushing technology to its limits. They have close liaison with the University through informal meetings, seminars and subsidised joint research schemes; fruitful collaboration with other Science Park occupiers; and a steady flow of international visitors attracted by Britain's foremost Science Park.

NOTHING TOO SMALL OR TOO BIG

- IBM (UK) have a 500 sq ft listening post;
- Cambridge University Microelectronics Group have an 8,000 sq ft laboratory crammed with exciting projects;
- Cambridge Consultants have a 48,000 sq ft contract research complex;
- Napp Pharmaceuticals have a 120,000 sq ft prestige R & D and manufacturing headquarters.

The Trinity Centre provides 'the Pub on the Park' plus meeting rooms and squash courts for all 68 occupiers (15 of whom have expanded from smaller to larger premises within the Park).

CURRENTLY AVAILABLE

2,400 sq ft starter unit (available now)
4,850 sq ft probably the finest hi-tech premises in the UK—on the ground floor of a new 16,000 sq ft unit overlooking one of the lakes (ready March 1987)

40 acres (on ground leases or College to build) following on the 90 acres already developed.

ACADEMIC LIAISON
John Bradford,
TRINITY COLLEGE,
Cambridge CB2 1TQ.
Tel: (0223) 338400

SITES AND BUILDINGS
John Twiddle/Henry Bennett,
BIDWELLS, Trumpington Road,
Cambridge CB2 2LD.
Tel: (0223) 841841

Anthony Moreton

WEST OF SCOTLAND SCIENCE PARK

Bricks, mortar and brains. That's the unique mix that the West of Scotland Science Park has to offer emergent and established research-based companies.

Unique, because nowhere else in the world can your company—as one of a select few—draw on the breadth of technical resources and expertise of both Glasgow and Strathclyde Universities.

On one custom-designed Park jointly developed by the Scottish Development Agency and the Universities, the Science Park is now up and running—with tremendous enthusiasm on all sides.

Because this is an active partnership. Both of these Scottish Universities are renowned worldwide—not only as centres of excellence, but as institutions with a keenly practical commercial attitude.

They understand industry's primary needs in project management, timescale and budget.

There is an inherent eagerness to work with the business world—as unparalleled providers of the most recent research knowledge, specific R&D, and even funding for specialised ventures.

In a word, commitment. Together with the skill, support and business counselling experience of the SDA, the Science Park package is a powerful one. Already it's led to the establishment

of new businesses in conductive polymers, microwave engineering, microcomputer systems, and much more. The same route to success you could be following now. SDA Property Marketing is the one door you need. Contact us—Alasdair McColl on 041-946 7161. In one move, you can be in with the bricks, on the West of Scotland Science Park.



ASTON SCIENCE PARK

The most prominent research location in the country—1.1 acres is available now for high technology development at ASTON SCIENCE PARK Birmingham

For property details contact:
Phoenix Beard
021-622 4155
17 Horse Fair—Birmingham B1 2DD

SOME OF

Southampton University

Surrey University

Cambridge University

IT Design Build

100 Horse Fair

0223 841841

WEST OF SCOTLAND SCIENCE PARK

WEST OF SCOTLAND SCIENCE PARK, GLASGOW G20 0SP.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst, Allied Banker Unit Trst, and others, including their names, managers, and performance data.

FT UNIT TRUST INFORMATION SERVICE

Table listing unit trusts under the FT Unit Trust Information Service, including names like Bridge Fund Managers, F5 Investment Managers, and others.

Table listing unit trusts from other sources, including Royal Trust Co. of Canada, Target Trust Mgrs, and others.

JOTTER PAD advertisement for Financial Limited, featuring a notepad image and contact information (01-351 6955).

FT CROSSWORD PUZZLE No. 6,198

Crossword puzzle grid with clues for Across and Down words.

Solution to the crossword puzzle, providing the words for each clue.

Main table of unit trusts, organized by manager or category, listing names, managers, and performance metrics.

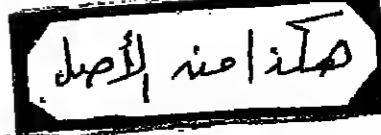
INOPARK advertisement for a shopping center, including address and contact details.

INSURANCES advertisement for AA Friendly Society, listing various insurance products and contact information.

AUTHORISED UNIT TRUST & INSURANCES

Main table containing financial data for various insurance and unit trust companies, including names, codes, and numerical values.

Handwritten signature or mark at the bottom right of the page.



INSURANCE, OVERSEAS & MONEY FUNDS

Table of financial data on the left side, including various fund names and their performance metrics.

Table of financial data in the middle-left section, listing various insurance and investment services.

Table of financial data in the middle section, detailing various overseas investment funds.

Table of financial data in the middle-right section, listing various money funds and their details.

Table of financial data in the right-middle section, providing information on money market bank accounts.

Table of financial data in the right section, covering traditional options and 3-month call rates.

OFFSHORE AND OVERSEAS

Money Market Bank Accounts

TRADITIONAL OPTIONS

3-month call rates

MANAGEMENT SERVICES

COMMODITIES AND AGRICULTURE

UK claims tin action threatens treaty powers

THE SUCCESS of a petition for the winding up of the International Tin Council would affect the British Crown's prerogative, and in particular its treaty-making powers, the High Court was told yesterday.

Jopling prepares for marathon

MR MICHAEL JOPLING, Britain's Agriculture Minister, yesterday reaffirmed his determination to crack down on European beef and dairy surpluses.

US may lift ban on Soviet nickel

US AND Soviet officials last week agreed to resume consultations to end the three-year-old American ban on imports of nickel from the USSR.

Breaking the cereal cycle

CROP ROTATION may be an age-old farming technique, and still a necessary one in spite of the chemical innovations of modern times.

FARMER'S VIEWPOINT

By John Cherrington

ment in livestock, which with the exception of dairy cows are not very profitable. Grass seed harvesting is not an easy task as the weather in much of Britain makes the job very tricky and I seldom attempt it except as a sort of opportunistic gamble.

and the Netherlands, requiring certification, inspection and government guarantees that nickel and nickel product exports to the US are free of Cuban metal.

Australia and Egypt to resume wheat talks

AUSTRALIA and Egypt will this week resume wheat negotiations interrupted by the sudden replacement last month of the Egyptian Prime Minister, which was followed by a Cabinet reshuffle.

Brazilian copper

PARABUNA DE METAIS, a private Brazilian mining company, is to invest \$250m (£175m) in a project aimed at producing 100,000 tonnes of electrorefined copper a year.

Mr Raimundo Pessoa, the company's president, said copper concentrates for the project will be supplied by a concentrator planned at Brazil's largest copper reserve, Igarape do Salobo at Carajás, which has 1.2bn tonnes of reserves with a copper content of 0.88 per cent.

Sugar policy

THE BRAZILIAN Sugar and Alcohol Institute (IAA) is maintaining its announced sugar export policy for the 1986-87 crop year although the situation could be reviewed at the end of the year, reports Reuters from Rio de Janeiro.

Radiation warning

THE WEST German Health Ministry has discovered radioactive caesium in consignments of Turkish tea and hazelnuts and has warned the public against consuming the products.

LONDON METAL EXCHANGE WAREHOUSE STOCKS

Table with columns for metal (Aluminium, Copper, Nickel, Tin, Zinc), price, and change. Includes sub-section for Silver.

LONDON MARKETS

COFFEE FUTURES prices came under further pressure in London yesterday as rumours that Brazilian export price cuts were in the offing added to existing bearish sentiment based on doubts about the prospects for the re-introduction of export quotas.

INDICES

Table showing REUTERS and DOW JONES indices with columns for Dec 9, Dec 8, and % chg.

MAIN PRICE CHANGES

Table showing price changes for various metals like Aluminium, Copper, Lead, and Zinc.

ALUMINIUM

Table showing Aluminium prices for different grades and origins.

COFFEE

Table showing Coffee futures prices for various origins and grades.

LEAD

Table showing Lead prices for different grades.

NICKEL

Table showing Nickel prices for different grades.

TIN

Table showing Tin prices for different grades.

ZINC

Table showing Zinc prices for different grades.

GOLD

Table showing Gold prices for different grades.

SILVER

Table showing Silver prices for different grades.

SOYABEAN MEAL

Table showing Soyabean Meal prices for different grades.

OIL

Table showing Oil prices for different grades.

US MARKETS

THE COFFEE MARKET continued its sharp decline as the March contract broke under October 1985, reports from London.

NEW YORK

Table showing New York market prices for various commodities.

CHICAGO

Table showing Chicago market prices for various commodities.

COITON

Table showing Cotton market prices for different grades.

COFFEE (LIGHT)

Table showing Coffee (Light) market prices.

COCOA

Table showing Cocoa market prices for different grades.

POTATOES

Table showing Potato market prices for different grades.

GRAINS

Table showing Grain market prices for various types.

HEAVY FUEL OIL

Table showing Heavy Fuel Oil market prices.

SUGAR

Table showing Sugar market prices for different grades.

ORANGE JUICE

Table showing Orange Juice market prices.

PLATINUM

Table showing Platinum market prices.

SUGAR WORLD

Table showing World Sugar market prices.

LIVE CATTLE

Table showing Live Cattle market prices.

LIVE HOGS

Table showing Live Hogs market prices.

PORK BELLIES

Table showing Pork Bellies market prices.

SOYABEAN OIL

Table showing Soyabean Oil market prices.

CRUDE OIL

Table showing Crude Oil market prices.

MEAT

Table showing Meat market prices for various types.

FREIGHT FUTURES

Table showing Freight Futures market prices.

RUBBER

Table showing Rubber market prices for different grades.

COTTON

Table showing Cotton market prices for different grades.

Handwritten signature or note at the bottom of the page.

CURRENCIES, MONEY & CAPITAL MARKETS

EUROPEAN OPTIONS EXCHANGE table with columns for Series, Vol., and various dates.

FOREIGN EXCHANGES

French franc loses ground

THE FRENCH franc lost ground yesterday but finished above the day's low. Early trading saw the franc fall sharply...

STERLING — Trading range against the dollar in 1986 is 1.5355 to 1.5706. November average 1.4250. Exchange rate 88.4.

FINANCIAL FUTURES

Gilt prices fall

LONG GILT prices lost ground in the London International Financial Futures Exchange yesterday in rather dull trading. Volume was down from last week...

FINANCIAL FUTURES

Gilt prices fall

22 down from 106-07 on Friday but managed to touch a high of 106-04 before slipping away to close at 107-17. The high was touched during the afternoon as sterling recovered from the day's low against the D-Mark...

CHICAGO

Table of Chicago market data including Wheat, Soybeans, and Corn prices.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various countries like Belgium, Germany, France, etc.

PHILADELPHIA 90 DAY T-BILLS

Table of Philadelphia 90 Day T-Bills prices and yields.

PHILADELPHIA 90 DAY T-BILLS

Table of Philadelphia 90 Day T-Bills prices and yields.

IN NEW YORK

Table of New York market data including various financial instruments.

POUND SPOT - FORWARD AGAINST THE POUND

Table showing Pound Spot and Forward rates against the Pound.

28-YEAR 12% NATIONAL BILT

Table of 28-Year 12% National Bilt prices and yields.

28-YEAR 12% NATIONAL BILT

Table of 28-Year 12% National Bilt prices and yields.

STERLING INDEX

Table of Sterling Index values and changes.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing Dollar Spot and Forward rates against the Dollar.

28-YEAR 12% NATIONAL BILT

Table of 28-Year 12% National Bilt prices and yields.

28-YEAR 12% NATIONAL BILT

Table of 28-Year 12% National Bilt prices and yields.

CURRENCY MOVEMENTS

Table of Currency Movements showing percentage changes for various currencies.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing Dollar Spot and Forward rates against the Dollar.

28-YEAR 12% NATIONAL BILT

Table of 28-Year 12% National Bilt prices and yields.

28-YEAR 12% NATIONAL BILT

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CURRENCY RATES

Table of Currency Rates for various international currencies.

EURO-CURRENCY INTEREST RATES

Table of Euro-Currency Interest Rates for different maturities.

28-YEAR 12% NATIONAL BILT

Table of 28-Year 12% National Bilt prices and yields.

28-YEAR 12% NATIONAL BILT

Table of 28-Year 12% National Bilt prices and yields.

OTHER CURRENCIES

Table of Other Currencies including various regional and emerging market rates.

EURO-CURRENCY INTEREST RATES

Table of Euro-Currency Interest Rates for different maturities.

28-YEAR 12% NATIONAL BILT

Table of 28-Year 12% National Bilt prices and yields.

28-YEAR 12% NATIONAL BILT

Table of 28-Year 12% National Bilt prices and yields.

MONEY MARKETS

Rates little changed

INTEREST RATES were barely changed in London yesterday. Trading was rather quiet in the periods, with a steady pound and no fresh factors to affect the market...

FT LONDON INTERBANK FINANCING

Table of FT London Interbank Financing rates.

NEW YORK

Table of New York market data.

NEW YORK

Table of New York market data.

UK clearing bank lending rate 11 per cent since October 15

exacerbated by payments from British Gas. However rates eased during the day as the authorities injected liquidity and a low of 4 per cent was touched before late demand pushed the rate back to 9 per cent.

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FT LONDON INTERBANK FINANCING

Table of FT London Interbank Financing rates.

NEW YORK

Table of New York market data.

NEW YORK

Table of New York market data.

Large table of European Options Exchange data with multiple columns for Series, Vol., and various dates.

BASE LENDING RATES

Table of Base Lending Rates for various banks and currencies.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on December 8, 1986. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rates, no direct quotations available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (B) bank rate; (C) bank rate; (D) bank rate; (E) bank rate; (G) bank rate; (H) bank rate; (I) bank rate; (J) bank rate; (K) bank rate; (L) bank rate; (M) bank rate; (N) bank rate; (O) bank rate; (P) bank rate; (Q) bank rate; (R) bank rate; (S) bank rate; (T) bank rate; (U) bank rate; (V) bank rate; (W) bank rate; (X) bank rate; (Y) bank rate; (Z) bank rate.

Large table showing the World Value of the Pound, listing various countries and their exchange rates against the pound.

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and % Change. Includes sections for 'Shorts' (lives up to five years), 'Five to Fifteen Years', and 'Over Fifteen Years'.

INDEX-LINKED

Table of Index-Linked funds with columns for Name, Price, and % Change.

INT. BANK AND O'SEAS

Table of International Bank and Overseas funds with columns for Name, Price, and % Change.

COMMONWEALTH & AFRICAN FUNDS

Table of Commonwealth and African funds with columns for Name, Price, and % Change.

AMERICANS

Table of American funds with columns for Name, Price, and % Change.

AMERICANS - Cont.

Continuation of American funds table.

CANADIANS

Table of Canadian funds with columns for Name, Price, and % Change.

BANKS, HP & LEASING

Table of Banks, HP & Leasing funds with columns for Name, Price, and % Change.

LOANS

Table of Loans funds with columns for Name, Price, and % Change.

BEERS, WINES & SPIRITS

Table of Beers, Wines & Spirits funds with columns for Name, Price, and % Change.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS - Cont.

Table of Building, Timber, Roads shares with columns for Name, Price, and % Change.

DRAPERY & STORES - Cont.

Table of Drapery & Stores shares with columns for Name, Price, and % Change.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics shares with columns for Name, Price, and % Change.

ELECTRICALS

Table of Electricals shares with columns for Name, Price, and % Change.

DRAPERY AND STORES

Table of Drapery and Stores shares with columns for Name, Price, and % Change.

ENGINEERING

Table of Engineering shares with columns for Name, Price, and % Change.

ENGINEERING - Continued

Continuation of Engineering shares table.

FOOD, GROCERIES, ETC

Table of Food, Groceries, Etc shares with columns for Name, Price, and % Change.

HOTELS AND CATERERS

Table of Hotels and Caterers shares with columns for Name, Price, and % Change.

INDUSTRIALS - Continued

Continuation of Industrials shares table.

INDUSTRIALS (Miscel)

Miscellaneous Industrials shares table with columns for Name, Price, and % Change.

Handwritten signature 'John Smith' in a box.

Handwritten notes and scribbles at the top right of the page.

INDUSTRIALS - Continued

Table of industrial stocks including companies like Alcoa, Boeing, and General Electric, with columns for stock price, change, and volume.

LEISURE - Continued

Table of leisure and entertainment stocks including companies like Walt Disney World and Universal Studios.

PROPERTY - Continued

Table of real estate and property-related stocks including companies like American International Group.

INVESTMENT TRUSTS - Cont.

Table of investment trusts including various mutual funds and trusts.

FINANCE, LAND - Cont.

Table of financial and land-related stocks including banks and insurance companies.

DIAMOND AND PHOSPHATE

Table of diamond and phosphate stocks including companies like De Beers and Phosphate Resources.

CENTRAL AFRICAN

Table of Central African stocks including companies like Anglo American and Anglo Platinum.

FINANCE

Table of various financial stocks including banks and insurance companies.

Notes and disclaimers at the bottom of the page regarding the accuracy of the data and the publisher's liability.

LONDON STOCK EXCHANGE

Massive trading in British Gas dominates equities while Gilt-edged shade easier

Account Dealing Dates... First Declared Last Account Dealings... New share dealings may take place from 9.00 am to 12.00 noon...

for a gain of 8 3/4p and Royals 7 dearer at 87 1/2p. General Accident added 5 at 62 1/2p...

FINANCIAL TIMES STOCK INDICES table with columns for Dec 8, Dec 9, Dec 10, Dec 11, Dec 12, Dec 13, Dec 14, Dec 15, Dec 16, Dec 17, Dec 18, Dec 19, Dec 20, Dec 21, Dec 22, Dec 23, Dec 24, Dec 25, Dec 26, Dec 27, Dec 28, Dec 29, Dec 30, Dec 31, 1986, and Stock Comparison.

The undertone in the Property sector remained firm and the leaders made further modest progress. Land Securities edged up 3 to 342p...

Golds subdued... Subdued conditions continued to prevail among South African mining markets...

The FT-SE 100 index put up 13 points at best, before closing off the top with a net gain of 9.9 at 1023.4...

Equity turnover was comfortably brisk until the commencement of dealings in British Gas at 2.30 p.m. brought a rush of UK and foreign institutional investors eager to trade in the newcomer.

which rose 10 to 103p. Bankers put on 5 more to 282p and... Electrical majors moved higher in response to renewed support...

Supra replied to agreed share exchange, or partial cash alternative, terms from Evede with a rise of 12 to 86p...

The call from large shareholders, Water Authority Superannuation Fund, for the board to consider...

Initial "cheap" support from Johannesburg was somewhat stifled by the resilient performance of the Financial Rand...

After briefly touching 70p for at least one very large trade of 9.5m shares... British Gas ended at 62 1/2p, a premium of 1 1/2p on the offer price...

Business among leading buildings was very much of a routine nature... Bedland edged up 3 to 306p following acquisition news...

Bankers' profits McGowan provided the Food sector's outstanding movement, rising 8 1/2 to 290p...

Publicly given to Besmar's expansion plans... last Friday the group announced the acquisition of 121 of US-listed concerns...

Oil quietly firm... The oil majors took a beat back as the stock market debut of British Gas took precedent...

Australians behaved in similar fashion, Golds, aided by firmer bullion, showed a recovery...

Morgan Grenfell easier... Morgan Grenfell remained over-looked by Mr Geoffrey Collier's recent departure...

Mail order concerns were focused on Thursday, firming to 15 to 10p, helped by an encouraging circular from broker's L. Messel and Co. Empire gained 3 to 176p...

Grand Metropolitan was a quiet market and settled a couple of penny cheaper at 454p, but Trust- house Forte shrugged aside press reports that recent takeover speculation was unfounded...

NEW HIGHS AND LOWS FOR 1986... AMERICANS (4), CANADIANS (1), BANKS (7), BREWERS (3), BUILDINGS (9), CHEMICALS (7), STORES (7), ELECTRICALS (4), ENGINEERING (6), FRIGS (2), HOLIDAY HOMES (1), INSURANCE (1), MOTORISTS (2), PAPER (6), PROPERTY (8), SHOES (1), TEXTILES (1), TRAVEL (1), OVERSEAS TRADERS (3), MINES (4).

NEW HIGHS (12)... AMERICANS (1), IBM, BANKS (1), MCOPI, BUILDINGS (2), Henderson Group, ELECTRICALS (2), Denton Group, CHEMICALS (1), J. L., INDUSTRIALS (3), Handheld Technology, Sale Time, Tomkins (F. H.), GARDNER, LEASURE (1), Media Technology, INTERMEDIAL, PRILEX (2), Pizz, Norton, Optics.

TRADING VOLUME IN MAJOR STOCKS... The following is based on trading volume for Alpha Securities dealt through the SEAQ system yesterday until 3.55pm.

FT-ACTUARIES INDICES

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Monday December 8 1986, and FT-SE 100 SHARE INDEX.

FIXED INTEREST

Table with columns for PRICE INDICES, British Government, and 5 years, 10 years, 15 years, 20 years, 25 years.

LONDON TRADED OPTIONS

Table with columns for CALLS and PUTS, and various stock options like Allied Lyons, B.P., British Gas, etc.

RISERS AND FALLS YESTERDAY

Table with columns for Rises, Falls, Same, and various stock categories like British Shares, Corporate Bonds, etc.

LONDON RECENT ISSUES

Table with columns for Issue, Price, Date, High, Low, and various stock issues.

EQUITIES

Table with columns for Issue, Price, Date, High, Low, and various equity issues.

FIXED INTEREST STOCKS

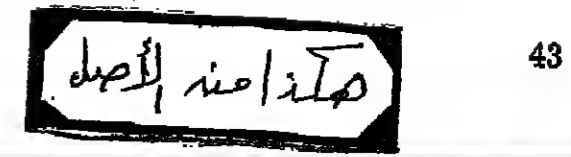
Table with columns for Issue, Price, Date, High, Low, and various fixed interest stocks.

"RIGHTS" OFFERS

Table with columns for Issue, Price, Date, High, Low, and various rights offers.

Renunciation date usually falls due during first week of January... An assumed dividend and assumed dividend yield are based on dividend cover on earnings declared by the issuer...

Handwritten signature or scribble at the bottom of the page.



Vertical text on the left margin, including 'brought about by the...'

Table with columns for 'AUSTRIA', 'GERMANY', 'NORWAY', 'AUSTRALIA (continued)', and 'JAPAN (continued)'. It lists various stock indices and their values.

Table with columns for 'CANADA', 'NEW YORK', and 'INDICES'. It includes Canadian stock indices and a summary of major market indices.

Table with columns for 'FINLAND', 'NETHERLANDS', 'FRANCE', 'AUSTRALIA', and 'SOUTH AFRICA'. It lists stock indices for these regions.

Table with columns for 'MONTREAL', 'NEW YORK', and 'INDICES'. It includes Montreal stock indices and a summary of major market indices.

Table with columns for 'NETHERLANDS', 'FRANCE', 'AUSTRALIA', and 'SOUTH AFRICA'. It lists stock indices for these regions.

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OVER-THE-COUNTER Nasdaq national market, closing prices

Large table containing Nasdaq national market closing prices for various stocks, organized by sector and company name.

Advertisement for 'FINLAND' and 'FRANCE' sections, including contact information for Peter Sorenson and Ben Hughes.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of stock prices with columns for stock name, price, change, and volume. Includes sections for 12 Month, High, Low, and various stock categories.

Kidder, Peabody Securities Limited. Market Makers in Euro-Securities. An affiliate of Kidder, Peabody & Co. Incorporated. Founded 1865 • Member SIPC. New York • London • Paris • Geneva • Zurich • Hong Kong • Tokyo.

NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include Stock, P, S, High, Low, Change. Includes sub-section 'Continued from Page 41'.

Table of NYSE Composite Closing Prices. Columns include Stock, P, S, High, Low, Change. Includes sub-section 'Continued on Page 43'.

Table of AMEX Composite Closing Prices. Columns include Stock, P, S, High, Low, Change.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter (Nasdaq) Closing Prices. Columns include Stock, Sales, High, Low, Last, Change.

FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Bonds spur bumpy ride for stocks

A SUDDEN spurt in bond prices gave stocks a roller coaster ride on Wall Street yesterday, writes Roderick Oram in New York. The bond market rallied sharply in mid afternoon on revived hopes that some industrialised countries might coordinate an interest rate cut. Higher bond prices pushed stock index futures to a premium over the underlying shares...

On the takeover front, Carter Hawley Hale dropped 55% to \$47 on volume of more than 2m shares. The price had been up almost \$4 on the day before trading was suspended for part of the session. The stores group rejected a takeover offer of \$60 a share increased from \$55 by investment partnership of the Limited, up 5% at \$34, and Mr Edward DeBartolo (caps D B all one word). Carter Hawley also said it was splitting itself into two publicly traded companies and had signed a standstill agreement limiting General Cinema's holding of its shares to 51 per cent. Presently it holds preferred stock convertible into 36.6 per cent of the common shares. General Cinema fell 11% to \$45. PS Group, up 3% to \$38 3/4, agreed to sell its Pacific Southwest Air subsidiary, up 4% to \$18 in the over-the-counter market, to USAir for \$17 a share. USAir fell 1% to \$38 1/4. Other airline stocks were mixed. UAL, the parent of United Air Lines, gained 3% to \$59 1/2. It reported a sharp rise in traffic in November. AMR, the parent of American, fell 5% to \$56 1/2 while Trans World fell 4% to \$24 1/2 and Delta slipped 3% to \$49 1/4. Transamerica eased down 5% to \$35 1/4 on news it was spinning off some manufacturing operations. In contrast, a similar move by Allied-Signal boosted its share price by 5% to \$42 1/2. MCI, the second largest long distance telecommunications carrier in the US, fell 5% to \$43. Analysts gave mixed reviews to cost cutting measures announced last week. Amoco was off 5% to \$64 1/4. It reportedly told analysts on Friday that its re-

sembles and production would fall about 5 per cent this year. The oil sector generally was weak on reports of excessive inventories worldwide. Texaco fell 5% to \$34, Mobil was down 3% to \$36 1/2 and Standard Oil was off 5% to \$48 while Exxon was up 5% at \$69 1/2. Trading began in British Gas with US investors offered nearly 16.7m American Depository Receipts at \$7.11. Trading of 9.3m ADRs made it the most active issue on the NYSE with the price closing at \$9 1/2 from the first trade. In the credit markets, US government bond prices eased lower in the morning following the sharp sell off last Friday on stronger than expected employment figures. Some support came yesterday from foreign Japanese investors buying in their home market although this was offset by profit taking in London. Prices bounced back in mid-afternoon, however with the price of the 7.50 per cent benchmark Treasury long bond ending 1/2 of a point higher at 107 3/4 at which it yielded 7.31 per cent. Three-month Treasury bills gained seven basis points to 5.49 per cent and six-month bills went up four basis points to 5.50 per cent while year bills slipped one basis point to 5.43 per cent. The markets should have a relatively quiet week in store in terms of economic news and financings. Forecasts of November's retail sales, to be released on Thursday, vary widely from a fall of about 0.3 per cent to a rise of 0.5 per cent or more. Friday brings the November producer price index, with a modest rise forecast, and manufacturers sales and inventories showing some decline in the former and rise in the latter. The Fed fund rate is expected to ease after seasonal factors had pushed it higher in recent weeks. The Fed entered the market yesterday to make \$1.5bn of customer repurchases when the Fed funds rate stood at 6 per cent.

EUROPE

Brussels peaks on tax plan

THE YEAR-END rally came early in Brussels yesterday as prices moved to a record following Friday's tax incentives for securities purchases. Domestic institutional support was felt throughout the day and focused mainly on blue chips, holding companies, utilities and selected industrials. Further buying by individual investors, likely to benefit from the new tax legislation, underpinned sentiment and pushed the Belgian Stock Exchange index to a 12-month peak of 4,115.3, up 36.37. Bellwether Petrofina hit a high for the year with a BFr 50 jump to BFr 9,670 while Royale Belge added BFr 14 to BFr 29,485, another peak. Retailer Dalhaze put on one of the best showings with a BFr 180 gain to BFr 2,990 and GB Inno BM picked up BFr 40 to BFr 6,780, just below its high for the year. GBL lost more ground on continue SEC investigations into affiliate Drexel Burnham Lambert in the US. It fell BFr 70 to BFr 3,890. Frankfurt finished lower despite the move of the dollar above DM 2 at its official fixing. A stronger dollar normally buoy the Commerzbank index, which lost 13.7 at its mid-session calculation of 2,059.0, but domestic and foreign investors were more concerned over the weaker showing on Wall Street on Friday. Daimler dropped DM 5 to DM 1,284 and VW was DM 4.20 cheaper at DM 425. Among machine makers, KHD rose DM 5 to DM 190 on its joint venture plans with Daimler for a new four-wheel drive tractor. Deutsche Bank among broadly weaker financials, dropped DM 10.50 to DM 628 while Commerzbank lost DM 7 to DM 312. The bond market was undermined by the rise in the dollar and the sharp drop on Friday of US credit markets. Longs lost up to 30 basis points although volume was light. The Bundesbank bought DM 15.2m worth of paper after selling DM 109.40 on Friday.

AMSTERDAM

Amsterdam finished mixed with sporadic interest on internationals. Unilever firmed F1 2.20 to F1 5.19 on the growing belief that its Chesebrough Pond's acquisition may turn out to be a bargain. Fokker dipped a further F1 2.70 to F1 59.30 on adverse press reports. Paris staged a late rally on the climb-down by the government over the controversial university reform bill which has triggered violent unrest in the past few days. Some alarm was voiced, however, over the Bank of France's decision to raise its seven-day repurchase rate by a full percentage point to 8% per cent and to allow the franc to fall below its previous support level of FFr 327.60 per DM 100. Stockholm eased lower in nervous trading affected by a sharp rise in money market rates. Trading was suspended in Gotabank and Wernlandsbanken pending an announcement on a possible merger. Volvo was one of the most active and lost SKr 12 to SKr 337 while Asea dipped SKr 2 to SKr 342. Zurich traded narrowly mixed due to thin volume. Milan, Madrid, Vienna and Lisbon were closed for holidays.

LONDON

Spirits rise on forecasts and flotation

A BRIGHTER MOOD took hold in London as investors reacted to the optimistic forecasts on the British economy and the successful start to dealings in the newly-privatised British Gas. The FT Ordinary index gained 7.0 to 1,275.5 while the more broadly-based FT-SE 100 made a gain of 9.9 to close at 1,623.4. Renewed takeover activity reflected the market's mood as nerves steadied after the traumas of last week's inquiries into market irregularities. By contrast, the gilts were easier for most of the session, before closing flat as the pound began to flag towards the end of the day. Dealings in British Gas, which began at 2.30pm, brought a rush of domestic and foreign institutional investors, and turnover for the issue reached 60m - exceeding previous records for the equity market as a whole. Chief price changes, Page 43; Details, Page 42; Share information service, Pages 40, 41.

CANADA

A BROAD RETREAT took place in active Toronto trading as the market followed Wall Street lower. Industrials helped drag prices down, with Seagram easing CS1 to trade at CS96%. Canadian Pacific eased CS 1/2 to CS17 1/2 and Bell Canada slipped CS 1/2 to CS37 1/2. Metals and mines also joined the broad retreat. Alcan dropped CS 1/2 to CS39% and Noranda slipped CS 1/2 to CS20%. Canadian Tire went against the trend. Its common shares advanced CS 1/2 to CS75 1/2 while Class A shares held steady at CS13 1/2. Montreal was also lower.

SOUTH AFRICA

A FIRM BULLION price took gold shares slightly higher in Johannesburg but trading was dull. Anglo American Goldmines advanced R5 to R320, Western Deep was R2 higher at R178 while Lorraine rose 50 cents to R25.75. Gold Fields of South Africa held steady at R61.

KEY MARKET MONITORS

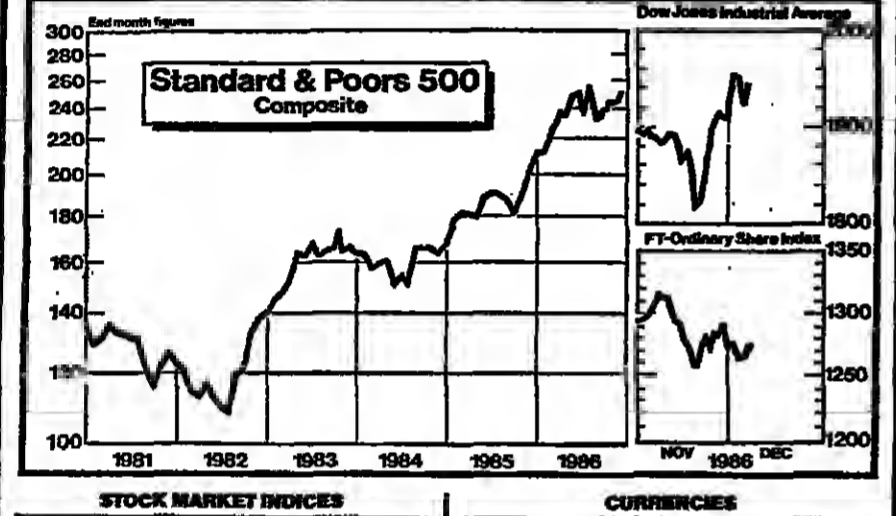


Table of Stock Market Indices, Currencies, Interest Rates, and US Bonds across various regions like New York, London, Tokyo, Australia, etc.

TOKYO

Recovery centres on blue chips

BLUE CHIPS and consumer demand-related stocks led the recovery in Tokyo yesterday, with investors expecting higher prices toward the year-end, writes Shigeo Nishiwaki of Jiji Press. Market leaders were Tokyo Electric Power, Tokyo Gas, Matsushita Electric Industrial and Fujitsu. The Nikkei stock average closed 105.77 higher at 18,710.88 after registering a 126-point jump in mid-afternoon. Trading was lower than Friday's 1.3bn shares, but fairly active for Monday at 709m. Advances outpaced declines by 484 to 339, with 169 issues unchanged. Tokyo Electric Power, which has been drawing active buying since it hit a record high last week, attracted institutional as well as individual investors, helping much to invigorate sentiment. It rose Y70 to Y6,470. Market analysts said that dealers wanted to activate trading in Tokyo Electric Power shares to keep the market animated for the year-end and New Year. Buying spread to Kansai Electric Power and Chubu Electric Power, Y180 and Y200 higher respectively at Y4,070 and Y4,100. Investors also sought Tokyo Gas, which added Y20 to Y1,190 on the heaviest trading of \$3.50m shares. The stock scored a record high of Y1,230 on October 1, but tumbled to Y755 on October 25. Investor interest in the gas company increased in the wake of Tokyo Electric Power's advance. However, investors grew cautious about the sharp gain in prices in the afternoon, switching their attention to speculative inactive-backed issues. Tobishima went up Y16 to Y776 and Nippon Metal Industry Y32 to Y342, while Kandenko spurred Y140 to Y8,290. Bond prices opened higher, but end-investors failed to follow dealers' buying in the absence of incentives. The yield on the 5.1 per cent government bond due in June 1986 plunged from Saturday's 5.265 per cent to 5.255 per cent, but closed higher at 5.290 per cent. The bond was traded chiefly by dealers, while trust, city and regional banks as well as some businesses concentrated on purchasing bonds with coupons higher than 6.5 per cent at low prices.

HONG KONG

FAIRLY ACTIVE trading was seen in Hong Kong where prices were sharply firmer but off their highs, following the previous session's heavy profit-taking. The Hang Seng index regained its losses of Friday, to close 30.57 higher at 2,431.29. Brokers said that the death last week of Governor Edward Youde, which prompted Friday's sell-off, was unlikely to have a major impact on Hong Kong's political and economic future and that investors had taken a wait-and-see approach yesterday, in the absence of fresh factors. Hang Seng Bank dropped 25 cents to HK\$38 while Hong Kong Shanghai Bank eased 15 cents to HK\$55.55. Cheung Kong gained HK\$1 to HK\$36.50 and New World put on 5 cents to HK\$6.90. HK Land was steady at HK\$6.30. Jardine Matheson added 40 cents to HK\$21.80. Swire A also rose 40 cents to HK\$21.80.

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